



Daily Report

East Asia

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Papua New Guinea Accepts Tariff Cut on Imports
*SK2212092193 Seoul YONHAP in English 0806 GMT
22 Dec 93*

[Text] Bangkok, Dec. 22 (YONHAP)—Papua New Guinea was accepted into an Asia-Pacific agreement that slashes tariffs in the region for freer trade Wednesday.

The 14th standing committee of the Bangkok agreement closed its three-day session at the headquarters of the Economic and Social Commission for Asia and the Pacific (ESCAP) after admitting Papua New Guinea.

Seoul will cut tariffs on 14 imports from Papua New Guinea, including copra oil and crawfish, and Port Moresby will, in return, slash tariffs on 11 imports from Korea, including footwear and car tires.

The ESCAP-sanctioned Bangkok agreement took effect in 1976, and is made up of tariff benefits among developing countries in the region.

Membership is now six. The other four are India, Sri Lanka, Bangladesh and Laos. China, Vietnam, Myanmar and Nepal are waiting to join.

Papua New Guinea had exports of 170 million U.S. dollars to Korea and imports from Korea of 15 million dollars last year.

The standing committee, meeting for the first time since 1983, pledged to congregate every year to stimulate agreement activities.

Four ASEAN Countries Form Credit Rating Forum

*BK2112074293 Manila BUSINESS WORLD in English
16 Dec 93 p 2*

[By Rosemarie V. Francisco]

[Text] Four countries, including the Philippines, have formed the ASEAN Forum on Credit Rating Agencies (AFCRA) last November to establish cooperation among credit firms in the region.

The organization, formalized during a meeting in Thailand, will be the venue for member-agencies to share experiences in organizing and conducting credit rating activities.

Among the objectives of AFCRA are:

- to establish a code of conduct to be observed by member-agencies;
- to serve as a forum to discuss issues affecting credit rating agencies in ASEAN and stimulate and strengthen the development of financial markets;
- to promote collaboration and assistance among member-agencies;
- to explore approaches for member-agencies toward mutual interests by sharing information and expertise through training and access to inter-country business and financial information;
- to cooperate with international and other regional credit rating agencies to promote international standards for credit rating agencies; and,
- to stimulate mutual understanding and cooperation between and among credit rating and government agencies and other institutions in ASEAN in order to develop a supportive legal framework for the enhancement of financial markets.

The Philippines is represented in AFCRA by the Credit Information Bureau, Inc. (CIBI), the country's only credit rating agency. The three other member-countries are represented by the Thai Rating and Information Services, Rating Agency Malaysia Berhad, and Indonesian Credit Rating Agency.

A CIBI official said its participation in AFCRA will allow them to learn from the experiences of the other members and boost their present rating operations.

The official said the commercial paper (CP) markets in Malaysia and Thailand have grown fast since the inception of credit rating in these countries in 1990 and 1993, respectively. There are already around 1,000 companies issuing CPs in Malaysia while about 100 issuers are expected in Thailand early next year.

On the other hand, the Philippine CP market remains "generally undeveloped" although credit rating started in the country in 1985 yet. The official said very few players issue CPs here compared to Malaysia and Thailand.

There are two types of membership in AFCRA—regular and advisory members. Credit rating agencies are eligible for regular membership while representatives of central banks, securities and exchange commissions and stock exchanges can become advisory members.

To keep member-organizations informed, an AFCRA meeting will be held annually.

Japan**NHK Survey Shows Imported Rice Sales Sluggish***OW2912015193 Tokyo NHK General Television Network in Japanese 1001 GMT 25 Dec 93*

[Announcer-read report; from "NHK News 7" program]

[Excerpt] Sluggish sales are reported for the imported rice the government hurriedly bought to cope with the worst post-war poor rice harvest this year. An NHK survey shows that only about 40 percent of the imported rice has been sold.

The government decided on emergency imports of rice as a result of the smallest post-war rice crop on record. Now, 200,000 tons of rice are being imported, largely for use as a raw material in food processing. Earlier this month, the Food Agency began selling about 74,000 tons of Thai rice to food processors. Nonetheless, the imported rice remains stockpiled in warehouses managed by the Food Agency. The agency imported the rice hoping to meet the demands of the food processing industry, but only about 40 percent of it has so far been sold.

The inability of existing food processing facilities to process imported rice, because of the difference in size and shape of the grains compared to domestically-grown rice, the higher-than-expected availability of domestically-grown processing rice, and deep-seated doubts among food processors about quality are believed to be responsible for sluggish sales of the imported variety. [passage omitted on a food processing company in Hyogo Prefecture]

Government's Rice Imports Plans Reported*OW2712101793 Tokyo KYODO in English 1001 GMT 27 Dec 93*

[Text] Tokyo, Dec. 27 KYODO—Japan will import an additional 800,000 tons of rice by the end of next March, bringing its overall emergency rice imports in fiscal 1993 to 1.9 million tons, the food agency said Monday [27 December]. The emergency imports are to make up for a shortfall in domestic rice supplies, stemming from the worst postwar harvest this year due to bad weather.

Earlier, the agency announced it would import 1.1 million tons of rice, including 200,000 tons for processing, in October and November. But it decided to buy more to secure stable supplies, agency officials said.

Sources at the agency said, meanwhile, that Japan may have to import up to 300,000 tons of rice in fiscal 1994, because domestic demand for imported rice through next autumn, when next year's crops become available, is estimated to reach 2.0 million to 2.2 million tons.

Farmers Urge Hosokawa To Quit Over Rice Issue*OW2812101693 Tokyo KYODO in English 0921 GMT 28 Dec 93*

[Text] Kumamoto, Dec. 28 KYODO—The Union of Agricultural Cooperatives in Kumamoto Prefecture demanded Tuesday [28 December] that the cabinet of Prime Minister Morihiro Hosokawa resign to take responsibility for even partially liberalizing the Japanese rice market to allow imports. The cooperatives also agreed at a Tuesday meeting that in the next election campaign they would not support political candidates who supported the liberalization.

Hosokawa was elected to the House of Representatives from Kumamoto Prefecture.

The cooperatives demanded that the current chief of the Central Union of Agricultural Cooperatives, Kiharu Sato, resign. They also rejected the production of inexpensive rice for nonstaple use.

The cooperatives decided that imported rice in the future will be used only for nonstaple purposes and foreign assistance. It agreed to promote improvement of government subsidies and the rescheduling of loans to rice growers.

Butrus-Ghali Leaves Tokyo for New York*OW2812062793 Tokyo KYODO in English 0526 GMT 28 Dec 93*

[Text] Tokyo, Dec. 28 KYODO—U.N. Secretary General Butrus Butrus-Ghali left Tokyo Tuesday [28 December] after a stopover here following a visit to China. Butrus-Ghali is returning to the UN headquarters after completing a 10-day, four-nation visit to northeast Asia on Monday.

The UN chief held high-level talks with leaders of Japan, South and North Korea and China during his trip on the subject of North Korea's alleged nuclear weapons program.

His trip ends amid reports that North Korea is ready to accept inspections of seven nuclear sites, which could pave the way for a diplomatic resolution to the prolonged crisis.

Vice Foreign Minister Azuma To Visit Africa*OW2712115993 Tokyo KYODO in English 1125 GMT 27 Dec 93*

[Text] Tokyo, Dec. 27 KYODO—Parliamentary Vice Foreign Minister Syozo Azuma will visit six African countries and three South Asian nations next month, the Foreign Ministry announced Monday [27 December]. During his trip from January 5 to 27, Azuma will visit Botswana, Mauritius, Mozambique, Namibia, South Africa, Zimbabwe, India, Nepal and Pakistan, the ministry said.

Azuma will visit South Africa to learn about the situation there as Japan is considering dispatching election monitors to the country for a parliamentary election scheduled for next April, said Administrative Vice Foreign Minister Kunihiro Saito. His visit to the African nations will represent Japan's "positive diplomacy" toward the continent following its hosting of the Tokyo international conference on African development in October, the ministry said.

Japanese UN peacekeepers are currently working in Mozambique, after a separate Japanese UN peacekeeping mission was pulled out from Cambodia in September.

Azuma will also go to the Indian subcontinent countries to "deepen friendly relations," it said.

Nashimoto Plans Mozambique Peacekeepers Visit
OW2812085693 Tokyo KYODO in English 0832 GMT 28 Dec 93

[Text] Nagoya, Dec. 28 KYODO—Chairman of the Joint Staff Council Tetsuya Nishimoto will leave Wednesday for Mozambique to inspect Japanese troops participating in UN peacekeeping operations there, Defense Agency officials said Tuesday [28 December]. Nishimoto will depart from Komaki Air Base in Aichi Prefecture aboard an Air Self-Defense Force C-130 cargo aircraft, which will deliver five tons of provisions to the peacekeepers, such as rice for new years rice cakes and clothing.

The stay of the peacekeepers in the East African country has been extended by eight months to the end of July.

Nishimoto, who will offer encouragement to the Japanese troops, is also scheduled to meet representatives from the headquarters of the UN operation in Mozambique. The plane with its crew of 14 will arrive in Mozambique on Sunday and return to Japan on January 7.

In mid-May, Tokyo sent 53 men—48 for transportation control and five for command communications—to join the peacekeeping mission.

70 Percent of Upper House Said To Back Reform
OW2912105493 Tokyo KYODO in English 1025 GMT 29 Dec 93

[Text] Tokyo, Dec. 29 KYODO—Seventy percent of House of Councillors members polled said they think political reform bills should be enacted before the current Diet session ends January 29, a KYODO NEWS SERVICE survey shows Wednesday [29 December]. The survey was conducted for a week from October 21 on all 252 upper house members, of whom 211 or 83.7 percent answered.

Among those responding, 37 percent said the Diet should revise the government's bills before passing them

into the law, while 33 percent supported the bills in their present shape. However, 20 percent said the Diet should continue debating the issue into the next session, while 10 percent said the bills themselves should be abolished.

The bills are designed to clean up Japan's money politics and prime minister Morihiro Hosokawa has staked his job on getting them passed during the current Diet session. The bills call for replacing the current multiseat House of Representatives electoral system with 274 single-seat districts and 226 seats decided by proportional representation, cutting the total to 500 from the current 511.

Some 56 percent of opposition Liberal Democratic Party (LDP) members said they think the government bills should be amended before enactment. But 44 percent of members of the Social Democratic Party (SDP), the largest of the seven coalition parties, said they support the government bills.

Deliberations in the upper house on the bills have been stalled due to the opposition's refusal to start discussions after they passed through the lower house in November.

In the upper house, the ruling parties consist of the SDP with 73 seats, Shinseito (Japan Renewal Party) with eight seats, Komeito with 24 seats, the Japan New Party-United Social Democratic Party allies with 15 seats and the Democratic Socialist Party with 11 seats.

The opposition LDP holds 99 seats and the Japanese Communist Party has 11 seats. Others are the Niin Club with five seats five seats and six independent members.

Vote Value Disparity for Upper House Widens
OW2912090593 Tokyo KYODO in English 0851 GMT 29 Dec 93

[Text] Tokyo, Dec. 29 KYODO—The disparity in the value of votes in densely populated urban constituencies and sparsely populated rural areas in House of Councillors elections shot up to a record 6.7 to 1 in favor of the country districts in 1993, the government said Wednesday [29 December]. This means that the number of eligible voters per elected member in urban constituencies is 6.7 times that in rural regions, in the worst case comparing Kanagawa and Tottori Prefectures.

In 1992, the corresponding ratio was 6.62 to 1, the Home Affairs Ministry said in a report.

The number of eligible voters as of September 2 stood at 94,642,792, up 1,210,349 or 1.30 percent, the ministry said.

The Osaka high court ruled December 16 that a disparity in the vote value of 6 to 1 or more contravenes the constitutional provision that all citizens are equal under the law.

The ministry also said the gap in the value of votes for the House of Representative elections also widened to 2.83 to 1 from 2.81 to 1 in 1992.

In the densely populated Kanagawa Prefecture constituency, which has four upper house seats, one legislator represents 1.56 million voters, according to the report. In contrast, in Tottori Prefecture, with two upper house seats, there is one legislator for every 230,000 eligible voters.

Other prefectures relatively under represented in the upper house include Saitama, Tokyo, Osaka and Chiba, the report said. Four to eight upper house seats are contested in each of these districts.

Among House of Representatives constituencies, voters in the Tokyo No. 7 constituency, with four seats, are the worst off in the nation in terms of representation, with each legislator representing 318,493 eligible voters. This compares with one lower house member per 112,390 eligible voters in the Ehime No. 3 constituency, the best rate in the country.

A total of 31 constituencies suffer a disparity of more than 2 to 1 in comparison with the Ehime No. 3 constituency, according to the report.

Acquittal of Recruit Executive Appealed

OW2712115893 Tokyo KYODO in English 1129 GMT 27 Dec 93

[Text] Tokyo, Dec. 27 KYODO—Prosecutors Monday [27 December] appealed against a district court ruling that acquitted of bribery a former executive of Recruit Co., the information conglomerate at the center of a scandal that triggered the fall of Former Prime Minister Noboru Takeshita. On December 16, the Tokyo District Court acquitted Masao Tatsumi, 51, former chief of the firm's presidential secretariat, of coaxing then Vice Labor Minister Takashi Kato in 1986 to buy 3,000 bargain-price pre-flotation shares of a Recruit subsidiary.

Tatsushiro Ishikawa, deputy head of the Tokyo District Public Prosecutors Office, told a news conference that "the ruling was handed down on the basis of a mistaken appraisal of evidence" submitted by the prosecutors and was therefore unacceptable.

In the 1987-89 scandal, a total of 12 politicians, bureaucrats and Recruit executives were indicted on charges of accepting or handing over Recruit Cosmos Co. shares, whose value soared after their over-the-counter debut, bringing handsome profits to holders.

Tatsumi was charged with luring Kato into buying the lucrative shares to reward him for his intervention in killing a legislative proposal to tighten controls over job information magazines, a business in which Recruit excelled.

Kato was earlier convicted of taking bribes from Recruit. He was given a two-year jail term, suspended for three year, as well as a 6.81 million yen fine.

Local Governments Implicated in Corruption

OW2812085793 Tokyo KYODO in English 0837 GMT 28 Dec 93

[Text] Tokyo, Dec. 28 KYODO—Seventy-seven of the country's more than 3,000 local governments and 108 public officials were implicated in graft during fiscal 1992 which ended March 31, a government study released Tuesday [28 December] said.

The number of local governments involved in corruption was up seven over the previous fiscal year, the Home Affairs Ministry said. The number of cases of corruption involving local governments, however, was 83, down from the previous year's 85.

The number of government heads and officials implicated in graft was also lower than the 146 recorded in fiscal 1991, the ministry said in releasing the study. The figures for both cases and officials were the lowest since the ministry started releasing the tabulations in 1976, it said.

Sector by sector, cases concerning civil engineering and construction topped the list, accounting for 16.9 percent of the total, followed by general affairs and education, both with 15.7 percent. As for types of corruption, bribery and swindling each numbered 34 cases, followed by fraud at nine, the ministry said.

During the past six months two governors and two mayors have been snared by prosecutors in a series of payoff scandals involving Japan's eight leading contractors, which allegedly bribed the local government chiefs in order to obtain public works projects.

During fiscal 1992, five local government heads, nine local assemblymen and 37 officials were given jail terms for having a hand in graft, the ministry said.

Panel Planned To Curb Bureaucratic Regulations

OW2812110993 Tokyo KYODO in English 1038 GMT 28 Dec 93

[Text] Tokyo, Dec. 28 KYODO—The government on Tuesday [28 December] unveiled a plan to set up a panel to prevent the nation's bureaucracy from increasing the number of regulations binding the hands of business and society in general.

The panel will be set up in June at the earliest as an advisory committee to Prime Minister Morihiro Hosokawa, government officials said. It will have the authority to put forward recommendations to the prime minister on how to expedite deregulation, the officials said.

Hosokawa will hand-pick members of the panel from among business and labor leaders, but the selection of

members will be subject to endorsement by the Diet, they said. The panel will be entrusted with the task of drawing up concrete plans for expediting Hosokawa's proposal to implement deregulation on a package of some 620 items earlier identified by the government.

It will conduct a review of the fields of administrative information, embracing foreign policy, defense, privacy of individuals, as well as what information civil servants are allowed to keep secret from the public, the officials said.

Panel Chief Kato Urges Consumption Tax Rise

*OW2912093893 Tokyo KYODO in English 0920 GMT
29 Dec 93*

[Text] Tokyo, Dec. 29 KYODO—The government should fund income tax cuts by raising the rate of the consumption tax and not by issuing deficit-covering bonds, the head of the Tax Commission urged Prime Minister Morihiro Hosokawa on Wednesday [29 December]. Kan Kato, chairman of the commission, made the call in a meeting with Hosokawa to discuss planned reform of the tax system, according to officials who attended the meeting.

The officials quoted Kato as saying, "it is the easy way for politicians to fund a tax cut by issuing deficit-covering bonds but income tax cuts should be coupled with raising the (consumption) tax."

Cutting or raising taxes should be planned together within the framework of tax system reforms, Kato reportedly told Hosokawa.

Hosokawa replied that he will respect an earlier recommendation by the commission. That recommendation called for funding income tax cuts by hiking the consumption tax rate, currently at 3 percent.

Kato told reporters later in the day that raising consumption tax can be done some time after cutting income tax. "It is an idea. It is still within the bounds of what the commission calls for," he said.

Official on Socialists' Opposition to Tax Hike

*OW2712100493 Tokyo KYODO in English 0954 GMT
27 Dec 93*

[Text] Tokyo, Dec. 27 KYODO—Vice Finance Minister Jiro Saito on Monday [27 December] criticized the Social Democratic Party for not accepting a proposed consumption tax hike.

Saito was commenting on the rejection of the hike earlier in the day by Wataru Kubo, secretary general of the largest party in the seven-party ruling coalition. The rejection will have "effects on various areas," Saito said, suggesting further political confusion and difficulties in compiling the national budget for fiscal 1994.

Kubo has made similar comments several times in the past. The SDP's opposition to the consumption tax raise has made early formation of the fiscal 1994 budget more difficult.

The Finance Ministry has been adamant about raising the consumption tax rate from the current 3 percent in exchange for proposed income tax reductions.

The ministry has no intention of altering its stance on the issue, Saito told a press conference. He said it has yet to be decided whether or not income tax cuts will be contained in economic stimulus measures to be adopted by the government in mid-January.

There are many hurdles to be cleared, including the SDP's opposition to the consumption tax hike, Saito said.

Delay in Tax Reform Concerns Auto Industry

*OW2712092193 Tokyo KYODO in English 0838 GMT
27 Dec 93*

[Text] Tokyo, Dec. 27 KYODO—The delay in tax reform debate has thrown the auto industry into confusion, making industry officials concerned that it may affect a scheduled cut in the consumption tax rate on automobiles. The auto industry has been lobbying for cutting the tax rate on automobiles from the current 4.5 percent to 3 percent in line with other goods as a slump in auto sales drags on.

In introducing the controversial consumption tax in April 1989, the Finance Ministry set the tax rate on automobiles at 6 percent as a temporary step for the first three years. But faced with dwindling tax revenues caused by the economic slump, the ministry kept the temporary step in place for fiscal 1993, while lowering the rate to 4.5 percent.

The tax rate on automobiles is scheduled to go down to 3 percent next April. According to an industry estimate, the 1.5 percentage point reduction in the tax rate could boost auto sales by 50,000 vehicles a year, resulting in an increase of more than 100 billion yen in tax revenues, including the 50 billion yen expected from the increased sales alone.

Prime Minister Morihiro Hosokawa's coalition government has decided to put off debate on tax system reform until next fiscal year as the ruling coalition parties remain split over tax policy.

Some industry officials said that delay may provide room for the Finance Ministry to argue that it is necessary to keep the tax rate on automobiles unchanged for another year or so to make up for a tax revenue shortfall in the wake of the weak economy.

Industry officials are united to oppose any move to leave the tax rate unchanged as the "temporary" tax rate will have been in place for as long as five years in April. "We

urge the government to meet its promise this time for sure," an official at the Japan Automobile Manufacturers Association said.

Takemura Interviewed on Income Tax Reform

OW2812140693 Tokyo KYODO in English 1357 GMT 28 Dec 93

[Text] Tokyo, Dec. 28 KYODO—The government will be allowed to issue deficit-covering bonds with prospects for their redemption to finance an income tax reduction aimed at boosting the weak economy, the chief cabinet spokesman said Tuesday [28 December].

In a Japan Broadcasting Corp. (NHK) program set to be aired on January 1, Chief Cabinet Secretary Masayoshi Takemura said that deficit-financing bonds include those issued as a stopgap measure or for a short term, and that the government will be allowed to use such bonds with prospects of redemption to cover an income tax cut.

On a possible increase in the consumption tax from the present 3 percent, the chief cabinet secretary said the government will consider the matter with a view to promoting welfare, not to finance the tax cut.

The Social Democratic Party (SDP), the largest force in the seven-party ruling coalition, has been strongly opposed to a consumption tax hike to make up for a fall in revenues caused by an income tax cut.

Some parties in Prime Minister Morihiro Hosokawa's ruling coalition have called for income tax to be cut by more than 5 trillion yen. But the Finance Ministry has opposed issuing deficit-covering bonds.

Takemura said Hosokawa will announce an income tax cut after New Year's Day.

At a December 24 news conference, Hosokawa appeared cautious about the issue of deficit-covering bonds to cover possible income tax cuts. "The government should not take an easy way of issuing bonds inconsistently," he said.

But in a meeting Monday with labor leader Akira Yamagishi, Hosokawa indicated that he might announce a commitment to cut income tax during a televised news conference to be prerecorded this week and broadcast nationally on January 1. "I would like to make a bold commitment during a television program to be aired on January 1," the prime minister was quoted as telling Yamagishi.

Takemura said the government plans to unveil a fresh package of pump-priming measures in January. But he said the submitting of a third extra budget for fiscal 1993 will be carried over into February during the next regular Diet session which will be convened at the end of January.

On December 15, the Diet enacted the government's second 708.72 billion yen supplementary budget to prop up the economy.

Says No Decision on Tax Cut Size

OW2912040593 Tokyo KYODO in English 0353 GMT 29 Dec 93

[Text] Tokyo, Dec. 29 KYODO—The government has yet to decide on the size and schedule of proposed income tax cuts as part of its additional pump-priming measures, Chief Cabinet Secretary Masayoshi Takemura said Wednesday [29 December].

Takemura also told reporters Prime Minister Morihiro Hosokawa will not disclose the size of the tax cuts in his New Year's press conference, although he will speak about basic policies for the reductions.

DSP Unveils Economy Proposal With Tax Cuts

OW2912083093 Tokyo KYODO in English 0805 GMT 29 Dec 93

[Text] Tokyo, Dec. 29 KYODO—The Democratic Socialist Party (DSP) in the ruling coalition unveiled Wednesday [29 December] an emergency economic stimulus proposal featuring substantial tax cuts exceeding 5 trillion yen.

The party called for an income tax reduction of over 3.5 trillion yen and a residential tax cut totaling more than 1.5 trillion yen, as well as a short-term government bond issue to generate funds to balance the cuts.

It urged the government of Prime Minister Morihiro Hosokawa to step up administrative reforms, eliminate unfair taxation as a means of curtailing expenditures and increase revenues.

The party said the proposed tax cuts should also include exemption or easing of the burden of inheritance tax and housing loans.

The proposal also includes measures to lower tax rates on real estate holdings and the use of special loans from the Bank of Japan to promote transactions of real estate held by commercial institutions as collateral for nonperforming loans, it said.

The party also called for bringing down consumer prices by an average 17 percent through deregulation and passing benefits from the yen's appreciation on to consumers.

Government Plans Income Tax Cuts in 'Mid-Jan'

OW2912115993 Tokyo KYODO in English 1144 GMT 29 Dec 93

[Text] Tokyo, Dec. 29 KYODO—The government will propose cutting income tax by 6 trillion yen in an

additional pump-priming package to be announced in mid-January, government sources said Wednesday [29 December].

It will also formulate a third supplementary budget for fiscal 1993 worth 5 trillion yen in January providing for an extra 3 trillion yen in outlays for public works projects and other stimulus measures, the sources said. These efforts are designed to speed up recovery of the nation's economy, now in the worst recession in many decades, at a time when compilation of the main budget for fiscal 1994 has been delayed and carried over into next year.

The government is prepared to pull out all the stops to pull the economy out [of] the doldrums, said a source close to Prime Minister Morihiro Hosokawa. But because of fears of adverse economic effects, the government will postpone plans to hike the consumption tax to finance the income tax cuts, the government sources said.

Implementation of the consumption tax raise will be substantially delayed from the originally targeted March 1995, the sources said. The government will reschedule the timing of the tax hike after making sure that the economy is on the recovery track, they said.

The expected stimulus measures will be an embodiment of six points that Hosokawa outlined in his nationally televised press conference last Friday. These will likely include relaxation of restrictions on land deals and other steps to stimulate land transactions.

Measures to lift restrictions on land deals will involve a cut in the land transaction tax, the sources said.

Under the package, the government is also considering cutting the tax on auto purchases to 3 percent from the current 4.5 percent.

Additional public works projects under the third extra budget will be carried out on both the national and local levels, the sources said.

The extra budget will also finance increased lending for home purchases by the governmental Housing Loan Corp. and purchases of land by the national and local governments for future projects, they added.

The decision to postpone the consumption tax hike resulted from a compromise among the ruling coalition parties and the Finance Ministry. The Social Democratic Party, the largest of the seven coalition parties, spearheads those opposing a consumption tax hike, while the Finance Ministry had been insisting on raising the consumption tax together with income tax cuts.

The compromise signals a softening of the ministry's stance and may reflect its sense of urgency on the need to shore up the economy, the sources said. The Finance Ministry may thus accept the issuance of deficit-financing government bonds, a step Japan last took in fiscal 1989, to cover the income tax cuts, they said.

Imported Goods Prices Continue To Fall

OW2812070493 Tokyo KYODO in English 0615 GMT
28 Dec 93

[Text] Tokyo, Dec. 28 KYODO—The yen's appreciation over the past year continued to send prices of imported goods sharply lower in November, the Finance Ministry said Tuesday [28 December]. Average customs-cleared import prices reported by the ministry for 30 major selected items showed 27 of them posted declines in November from a year before, of which 18 scored double-digit drops.

The weighted average of 30 items fell 8.5 percent from a year earlier, posting straight declines since the ministry started disclosing the prices in September.

"A substantially large part of imported products declined," a ministry official said, indicating the steady spread of benefits from the yen's appreciation against other key currencies led by the U.S. dollar. The dollar averaged 107.80 yen in the latest reporting month, down 12.2 percent from 122.71 yen a year earlier.

The ministry started disclosing customs-cleared import prices in line with a step designed to pass some of the benefits on to consumers under the government's 6.15 trillion yen economic stimulus package unveiled in September.

The weighted average of 30 items fell 14.8 percent in September with 25 decliners, and dropped 9.1 percent in October with 26 items falling.

Such items as wine, spaghetti and macaroni, dress shirts, and bras—imported mainly from Europe—continued to mark declines of over 20 percent as the yen appreciated by more than that margin against many key European currencies.

The French franc fell 22.3 percent against the yen, Italian lira sank 28.0 percent and the British pound lost 16.9 percent.

Meanwhile, decrease rates were limited to below 10 percent for automobiles, beer and cigarettes—items that are mostly contracted in yen denomination.

Stemming also from yen-denominated contracts and increased higher-quality imports, the average price of golf clubs rose 0.7 percent.

The official said short supplies due to seasonal and weather factors pushed up prices or capped rises for four foodstuffs—oranges, down 2.1 percent, lemons and limes, up 22.7 percent, grapefruit, down 3.1 percent, and processed eel, up 2.5 percent.

Wholesale Prices Said Flat in Mid-Dec*OW2912073793 Tokyo KYODO in English 0602 GMT
29 Dec 93*

[Text] Tokyo, Dec. 29 KYODO—Domestic wholesale prices were unchanged during December 11-20 from the previous 10-day period, the Bank of Japan [BOJ] said Wednesday [29 December]. Overall wholesale prices for the same period edged up 0.1 percent, the BOJ said.

The domestic wholesale price index came to 97.6 against the base of 100 for 1990, down 2.0 percent from a year before, while the overall index stood at 94.0, down 3.2 percent.

On the domestic front, a drop in prices of gasoline and gas oil was offset by a price rise for such products as beef, eggs and nonferrous metals, the BOJ explained.

Export prices for mid-December rose 0.6 percent from the preceding 10-day period but fell 5.7 percent from a year earlier.

On a contract currency basis, mid-December export prices leveled off from the preceding period, brushing aside effects from a moderate drop in prices of metal and metal products.

In terms of yen, export prices rose 0.6 percent from December 1-10 but dropped 5.7 percent from a year before.

Import prices increased 0.3 percent from the previous period but declined 13.0 percent from a year earlier.

On a contract currency basis, import prices were flat from the previous 10 days. Metal prices grew but prices of crude oil fell, the BOJ explained.

Yen-based import prices climbed 0.3 percent from the previous period but fell 13.0 percent from a year before.

Banks Urged To Write Off More Bad Loans*OW2912105393 Tokyo KYODO in English 1028 GMT
29 Dec 93*

[Text] Tokyo, Dec. 29 KYODO—The Finance Ministry will urge financial institutions to write off bad loans more rapidly even at the risk of posting losses in the financial settlement for fiscal 1993 ending in March, officials said Wednesday [29 December].

The new stance the ministry is about to take will be a major switch from its traditional philosophy that red-linked statements could trigger a credit crisis. Instead, the officials told KYODO NEWS SERVICE that if institutions continue to superficially cover their losses through sales of securities and other stop-gap measures, that could lead to a serious credit crisis two or three years from now.

Analysts say, however, the ministry's move may be a prelude to a major bailout scheme for financial institutions using tax money.

Ministry officials said their midyear financial statements show that liquidation of nonperforming loans are not proceeding fast enough, and those by regional banks and Shinkin banks are especially behind.

"Such institutions are not fully aware of their vulnerable situation and it may lead to a big problem when the 11 city banks eventually recover their strength," a ministry official said.

The ministry will hence advise financial vehicles to facilitate writing off bad loans even at the price of posting losses or cutting dividends. Analysts say the ministry's new stance could also help them from a tax point of view.

Nov Steel Exports Increase Reported*OW2812070593 Tokyo KYODO in English 0622 GMT
28 Dec 93*

[Text] Tokyo, Dec. 28 KYODO—Japan's steel exports in November climbed 11.8 percent over a year before to 1,746,000 tons for the 19th straight month of year-on-year rise, the Japan Iron and Steel Federation reported Tuesday [28 December]. Compared with the preceding month, the exports were down 9.9 percent, posting the second consecutive month-to-month drop, the federation said.

The federation said November exports were valued at 1,187.49 million dollars, up 3.0 percent over a year earlier but down 9.3 percent from the previous month. The average price of steel products stood at 680 dollars per ton, up 4.0 dollars over the previous month. In yen terms, the price rose 1,800 yen to 73,300 yen per ton, the federation said.

China was the largest customer for Japanese steelmakers, importing 355,000 tons, up 73.3 percent over a year earlier, followed by South Korea with 149,000 tons, up 46.3 percent, and Taiwan with 286,000 tons, up 53.1 percent, the federation said.

It said exports to the United States fell 39.7 percent from a year before to 173,000 tons, posting the 12th consecutive year-to-year fall.

The federation said Japanese imports of ordinary rolled steel totaled 436,000 tons, down 16.2 percent from a year before and 3.5 percent from the preceding month.

Imports from South Korea and Taiwan dropped 19.3 percent and 40.9 percent from a year earlier to 222,000 tons and 50,000 tons respectively, the federation said.

It said imports from Brazil soared 24.0 percent to 30,000 tons.

More Industries Eligible for Employment Subsidies

*OW2712115693 Tokyo KYODO in English 1147 GMT
27 Dec 93*

[Text] Tokyo, Dec. 27 KYODO—The Labor Ministry on Monday [27 December] designated 15 more industries as eligible for employment subsidies for companies that give workers extra days off or transfer them to affiliates due to poor business. The subsidies are intended to help the companies pay wages or allowances to affected workers.

The 15 industries newly eligible for the subsidies for a year from January 1 include advertising, pulp manufacturing and sheet glass manufacturing.

At the same time, the ministry said 21 other industries will continue to be eligible for the subsidies for the same period. A total of 224 industries, with 4.7 million workers, can now get the subsidies.

Airlines Force 'Stop' to Discount Ticket Sales

*OW2812031693 Tokyo KYODO in English 0200 GMT
28 Dec 93*

[Text] Nagoya, Dec. 28 KYODO—A tour company in Nagoya is being forced to stop selling discount domestic air tickets due to pressure from airlines, its president said Tuesday [28 December]. Sakae Travel Service obtained group tour tickets at a discount from travel agencies in September and began selling them separately at more than 40 percent less than the regular fare.

But the company was forced to suspend sales of the tickets in November because travel agencies stopped supplying them due to pressure from airlines, said its President, Tamio Goto. The tickets were especially popular with business travelers, as the discount was larger than the maximum 35 percent authorized by the Transport Ministry.

Goto said the company sold some 3,000 tickets. But due to what he said was pressure from airlines, the company could not obtain tickets for 1,000 customers who made bookings, and it received many complaints and demands for refunds.

Some of his employees quit and the company had difficulty in raising funds in December.

But Goto said he aims to resume operations in February. He said, "it is possible to sell discounted domestic airline tickets as long as there is a situation where customers seek cheaper tickets and airlines want to avoid flying without vacant seats."

The Transport Ministry said, however, that circulation of tickets not authorized by the ministry is troublesome as it makes it difficult to "maintain fairness in public transport organizations."

An official at Japan Airlines' Nagoya branch said, "it is impossible to put pressure on people over sales of discount tickets, since the airline has no idea what sort of distribution route they have."

Research on Utilization of Hydrogen Planned

*OW2912055593 Tokyo KYODO in English 0526 GMT
29 Dec 93*

[Text] Tokyo, Dec. 29 KYODO—Japan will step up research next year on utilizing hydrogen as a source of energy, trade officials say.

The New Energy Development Organization (NEDO), affiliated with the Ministry of International Trade and Industry (MITI), will launch a 10 billion yen, four-year program to study ways to improve the efficiency and technology of generating electricity using hydrogen.

The officials point out that use of hydrogen will contribute to preserving the environment since it does not produce carbon dioxide upon combustion. The NEDO plan will focus on technological aspects, they say.

The scheme is in line with a project initiated by MITI and its Agency of Industrial Science and Technology to possibly invest 300 billion yen to form an international network on development and use of hydrogen as a source of energy.

Officials say hydrogen can be produced in developing nations using electricity generated from the sun, heat, or wind. It can then be liquefied for export to industrialized nations.

NEDO will seek to develop materials that can tolerate the low temperatures, such as minus 253 degrees C, necessary to liquefy hydrogen, as well as various facilities and equipment needed for distribution.

The organization is eventually eyeing creation of a one-million-kilowatt class electric power plant, making electricity using hydrogen. NEDO is willing to cooperate with its foreign counterparts to carry out the project, the officials say.

North Korea

U.S. Reportedly Used 'Germ Weapons' During War

*SK2812043293 Pyongyang KCNA in English
0415 GMT 28 Dec 93*

[Text] Pyongyang, December 28 (KCNA)—A Japanese researcher who is an expert in biochemical weapons discovered recently at the U.S. State archives a confidential document of the U.S. imperialist aggression forces command relating to the use of germ weapons during their past war of aggression on Korea, according to a SEOUL SINMUN report.

The document reportedly contains a "plan on an offensive use of germ weapons" giving up "the old strategy of confining the use of germ weapons to retaliation against offensive".

It also elaborates on a plan to locate germ weapon depots in Kanagawa and Hiroshima Prefectures, Japan, near the Korean front, it added.

As has been disclosed, in their war of aggression the U.S. imperialists randomly used germ weapons against the Korean people and committed shocking atrocities of experimenting germ weapons on POW's of the Korean People's Army at the POW camp on Kōje Island.

The recently discovered confidential document discloses to the whole world once again the crime of the U.S. imperialists who used germ weapons in their war of aggression on Korea in crude violation of international law.

South Urged Not To Obstruct Talks With U.S.

*SK2912110893 Pyongyang KCNA in English
1053 GMT 29 Dec 93*

[Text] Pyongyang, December 29 (KCNA)—The South Korean puppet foreign minister, Han Sung-chu, at a "press interview" Monday said that the recent contact between the DPRK and the United States "lacked" something and that the "exchange of special envoys between the North and the South" must precede the third round of DPRK-USA talks, according to a radio report from Seoul.

As is known, there have been a series of contacts between the DPRK and the United States in New York recently, where the DPRK side put forward reasonable proposals for a smooth solution of the nuclear issue and the U.S. side showed a positive response.

At a time when public opinion at home and abroad was favoring the proposals of the DPRK, Han Sung-chu imprudently slandered them. This is a mean attempt to throw a wet blanket over the DPRK-USA contact and lay artificial obstacles to the third round of DPRK-USA talks.

As we have declared time and again and the world recognizes, the nuclear issue on the Korean peninsula must be solved between the DPRK and the United States. It is not a problem allowing the interference of any others.

It is never to be tolerated that the South Korean puppets, who have no will for the solution of the nuclear issue and disliked the DPRK-USA talks from the outset, are interposing themselves between the DPRK and the United States and resorting to obstructive moves.

As for the "exchange of special envoys" over which Han Sung-chu kicked up a dust, it had been proposed by the

DPRK and has nothing to do with the third round of DPRK-USA talks and cannot be a precondition for the talks.

Nevertheless, Han Sung-chu argued that an agreement must be reached on "the timetable of the exchange of special envoys" and that "a substantial progress is needed." This shows well how frantically he is running about to put a brake on the DPRK-USA talks.

This means that the South Korean puppets feel extreme uneasiness at the progress of the DPRK-USA contact.

Han Sung-chu is trying desperately to maintain the "international cooperation system" which the traitor Kim Yong-sam earned from the United States in exchange for the total opening of rice market killing the South Korean farmers, but to no avail.

It is stupid of the South Korean puppets to run amok, unaware that failure of the DPRK-USA talks and "sanctions" and pressure against fellow countrymen would eventually lead them to destruction.

The South Korean puppets must stop the criminal move for setting in-motion the fruitless "international cooperation system" and refrain from obstructing the DPRK-USA talks any longer.

Kim Yong-sam's Message to U.S. Forces Criticized

*SK2912050693 Pyongyang KCNA in English
0455 GMT 29 Dec 93*

[Text] Pyongyang, December 29 (KCNA)—Kim Yong-sam the traitor in his recent "Christmas message" to the U.S. forces in South Korea described the aggressor forces as "a deterrent to war" and "an apostle of peace."

Commenting on this, NODONG SINMUN today brands this as a disgusting act which revealed again the ugly color of the pro-U.S. flunkeyist traitor staking his fate on outside forces.

The analyst says:

When he came to power, Kim Yong-sam said "no ally is better than the nation," as if he would do something together with fellow countrymen. He, however, has made friends with the aggression forces and madly sought confrontation and war to slay fellow countrymen.

It is ridiculous of him, a war servant pulling the nuclear war chariot of outside forces, to cry for "spring of peace."

The "peace" ballad is unbecoming to the Kim Yong-sam puppet clique which took off the "civilian" clothes and changed into combat uniform of the puppet Army and prowled about forward units, whipping up war fever against the North.

The warmaniacs must not talk about "peace" as they please.

If the South Korean puppets truly hope for peace on the Korean peninsula, they must promptly stop disturbing peace and acting a shock brigade in the "nuclear" clamor raised by the imperialists to stifle the North.

If the South Korean puppet clique persistently seek dependence on outside forces and confrontation, ignoring the demand of the time and the nation, they will face a stern judgment by history and the people.

People in South Urged To 'Rise' Against President

*SK2512105793 Pyongyang KCNA in English
1015 GMT 25 Dec 93*

[Text] Pyongyang, December 25 (KCNA)—Cho Il-min, chief of the Pyongyang mission of the South Korean National Democratic Front, in a statement issued to the press on December 20 called upon South Korean people of various strata to rise as one in a struggle against Kim Yong-sam.

He in the statement said in the past ten months after his assumption of office Kim Yong-sam has trampled down the earnest desire of the fellow countrymen for independence, democracy and reunification and reduced the people in the South to prisoners of fascism and servants of foreign forces and turned South Korea into a hotbed of a nuclear war and the treacheries committed by him and his clan were more undisguised and more shameless criminal acts than those of Yi Wan-yong and Syngman Rhee.

The only way for the South Korean people to get rid of the present dreadful reality and miserable lot is to break with the traitorous Kim Yong-sam "regime" that is deceiving and suppressing the people and driving them to death, he noted.

Saying that the masters of the struggle to oust Kim Yong-sam from power are none other than the patriotic-minded people including peasants, workers and students in the South, he called upon the figures of political parties, groupings and various circles to take an active part in the struggle against Kim Yong-sam and join in the joint struggle of the patriotic-minded people.

Daily Calls Kim Yong-sam 'Political Charlatan'

*SK2812110193 Pyongyang KCNA in English
1034 GMT 28 Dec 93*

["History and People Will Deal Heavy Blow at Traitor"—KCNA headline]

[Text] Pyongyang, December 28 (KCNA)—With the Kim Yong-sam puppet clique left alone, it is impossible to achieve national reconciliation and unity, peace and reunification or to prevent the national interests from being violated by outside forces, stresses NODONG SINMUN in an article today.

The author of the article says:

What the traitor Kim Yong-sam has done over the ten months since his inauguration proves that the "civilian government" is a treacherous "regime" outdistancing by far the preceding ones. Kim Yong-sam the puppet has since committed treacheries, revealing his true color as a traitor and a political charlatan greedy for power.

He has broken up the North-South dialogue, aggravated the North-South relations to the extreme extent and laid artificial obstacles in the way of the solution of the reunification question under the "civilian" veil.

Getting into office, he made a start with a treacherous act and has done all evils, blocking at each step the onward movement of fellow countrymen toward great national unity and reunification.

He turned down the North-proposed exchange of special envoys between the North and the South for discussing and solving the denuclearisation of the Korean peninsula and other pending issues and staged "Ulchi," "Ulchi Focus Lens" and other reckless war exercises and military provocations across South Korea against the North.

Since he took office, the North-South dialogue for reunification has been totally frozen and the North-South relations have been carried to the worst phase.

The traitor sold off the rice market of South Korea in exchange for the U.S. promise to establish an "international cooperation system" against fellow countrymen and not to accept the DPRK's just formula of package solution of the nuclear problem. This is the height of perfidy and treachery.

With such rare traitor as Kim Yong-sam, a shaggy dog, rising to "power" in South Korea, the dignity of the nation is impaired and the nation's interests are victimized for outside forces.

It is time to settle accounts with Kim Yong-sam.

The South Korean people will bring down a sledge hammer on his head.

Chongnyon Vice Chairman Departs Pyongyang

*SK2512111093 Pyongyang KCNA in English
1030 GMT 25 Dec 93*

[Text] Pyongyang, December 25 (KCNA)—O Hyong-chin, vice-chairman of the Central Standing Committee of the General Association of Korean Residents in Japan, left here today by air after visiting the socialist homeland.

He was seen off at the airport by officials concerned.

Another Chongnyon Official Arrives on Visit

*SK2712043993 Pyongyang KCNA in English
0416 GMT 27 Dec 93*

[Text] Pyongyang, December 27 (KCNA)—Kwon Sun-hwi, vice-chairman of the Central Standing Committee

of the General Association of Korean Residents in Japan (Chongnyon), arrived in Wonsan Sunday by the ship "Mangyongbong-92" to visit the socialist homeland.

Japanese Union Urges Normalizing DPRK Ties

*SK2812103593 Pyongyang KCNA in English
1013 GMT 28 Dec 93*

[Text] Tokyo, December 26 (KNS-KCNA)—A resolution calling for the normalization of Japan-DPRK diplomatic relations and the relaxation of the tensions on the Korean peninsula was adopted at the fifth regular meeting of the Tokushima prefectural trade union centre in Japan on December 9.

The resolution urged the Japanese Government to show its sincere attitude by resuming negotiation for the normalization of diplomatic relations with the DPRK at an early date.

It strongly demanded the withdrawal of U.S. troops from South Korea for detente on the Korean peninsula and an early independent and peaceful reunification of the country.

Pakistani Prime Minister, Delegation Visit

Editorial Previews Tour

*SK2912042693 Pyongyang Korean Central
Broadcasting Network in Korean 2305 GMT 28 Dec 93*

[NODONG SINMUN 29 December editorial: "A Goodwill Envoy of the Pakistani People"]

[Text] A government delegation of the Islamic Republic of Pakistan led by Her Excellency Benazir Bhutto, prime minister of the Islamic Republic of Pakistan, will arrive in Pyongyang today [29 December] at the invitation of the great leader Comrade Kim Il-song, DPRK President.

A welcoming atmosphere pervades Pyongyang, the capital of the revolution, which greets the goodwill envoys of the Pakistani people, at a time when our people are effecting a great upsurge in socialist construction by unanimously rising up to implement the decision of the 21st plenary session of the Sixth Central Committee of the Workers Party of Korea. The Korean people warmly welcome the envoys of the Pakistani people, including the respected Excellency Benazir Bhutto, who will visit the DPRK with warm feelings of friendship.

As Asian countries who are members of the nonaligned movement, Korea and Pakistan forged friendly and cooperative relations and, developed them in their struggle for sovereignty, independence, and the construction of a new society. Friendly and cooperative relations between our two countries have been developing favorably today in various sectors, including politics, the economy, and culture, in conformity with the interest of the people of the two countries and the ideology of peace and the nonaligned movement.

Her Excellency Benazir Bhutto's visit to our country this time is a vigorous demonstration of the friendship between Korea and Pakistan. Also, it will contribute to developing friendly and cooperative relations between the people of the two countries at a new higher level and to strengthening and promoting our country's friendship and unity with Asian countries and the nonaligned movement.

The great leader Comrade Kim Il-song declared: Today the Pakistani people are making a great advance in their work to maintain independence, promote the country's national unity and stability, and build a progressive or democratic Pakistan. Since independence, the Pakistani people have embarked upon the difficult and complicated road of struggle to build a new independent and prosperous country. In the process, they have made great advances.

Today the Pakistani people are making efforts to achieve democratic development and prosperity. A great effort has been concentrated on the work to maintain independence and to achieve national unity and stability. Some time ago, a new government headed by Her Excellency Benazir Bhutto was established. This is an expression of the Pakistani people's trust in Her Excellency Benazir Bhutto.

The Pakistani Government organized a group to reinstate dismissed civil servants, abolish amendments to the constitution, promote the welfare of workers, and to develop the labor union. It has also taken positive steps to achieve stability and democratic development and to promote national unity. In order to enhance people's welfare and economic development, it has decided to implement in the fiscal year 1993-1994, its national plan of developing public health work, building roads, and completing electricity and gas supply work.

The Pakistani Government regards the reduction of the budget deficit, the curb of currency inflation, and the removal of unemployment as pressing tasks. Production is being increased in major industrial sectors, such as textile, cement, chemicals, and manufacturing. Efforts are continuously being made to increase grain production. Success is being achieved in education and public health. A great number of students are studying at various schools. Medical service is also being improved.

The Pakistani Government has maintained South-South cooperation while externally carrying out its nonaligned movement policy. It has tried to develop relations with third world countries and with Islamic countries in particular.

Our people are sincerely pleased as they would be over their own success, to see the Pakistani people's success in the work to build a new Pakistan, and wish them greater success in future struggles.

The Pakistani people highly praise our people's great success in socialist construction under the wise leadership of the great leader Comrade Kim Il-song and the

dear leader Comrade Kim Chong-il. Also, they express their support and sympathy for our people's struggle for the independent and peaceful reunification of the country.

In particular, the Pakistani Government and people have maintained that the nuclear issue on the Korean peninsula should be resolved peacefully through negotiations. They supported our position regarding the nuclear issue at general meetings and board of governor's meetings of the International Atomic Energy Agency. This is vigorous encouragement for our people who are firmly adhering to socialism by repulsing various challenges and maneuvers of enemies who want to crush [apsal] the popular mass-centered socialism of our own style under the pretext of our non-existent nuclear issue.

Her Excellency Benazir Bhutto's visit to our country this time is another expression of support and solidarity for our people who are accelerating socialist construction and making efforts to achieve the independent and peaceful reunification of the fatherland.

Independence, peace, and friendship are the basic tenets of the foreign policy of our party and the Government of the Republic. Our people, as in the past, will actively work to strengthen and develop friendly and cooperative relations with the Pakistani people in the future, too. Also, they will join hands and go together with the Pakistani people down the single road of a rewarding struggle to build a new independent, peaceful, and prosperous Asia.

The Korean people sincerely wish the goodwill envoys of the Pakistani people great success in their visit to our country.

Newspapers Surveyed on Visit

*SK2912051693 Pyongyang KCNA in English
0501 GMT 29 Dec 93*

[Text] Pyongyang, December 29 (KCNA)—A government delegation of the Islamic Republic of Pakistan led by Her Excellency Prime Minister Benazir Bhutto is due to arrive in Pyongyang today at the invitation of President Kim Il-song of the Democratic People's Republic of Korea.

Papers here today in editorials warmly welcome the Korea visit of the goodwill envoy of the Pakistani people.

The visit to Korea by Her Excellency Benazir Bhutto is a striking demonstration of the Korea-Pakistan friendship, says NODONG SINMUN.

It goes on:

The Pakistani people have traversed the road of a difficult and complicated struggle to build a new country, independent and prosperous, after the independence and made great strides forward in this course.

They are now striving to achieve democratic development and prosperity of the country.

Pursuing a non-aligned policy externally, the Pakistani Government calls for South-South cooperation and is endeavoring for the development of relations with the third world countries, other Islamic nations, in particular.

The Korean people are sincerely rejoiced as over their own over the achievements made by the Pakistani people in their strivings for the building of a new Pakistan and wish them greater success in their future struggle.

The Korean people will as ever make strenuous efforts to strengthen and develop the friendly and cooperative relations with the Pakistani people and join hands with them in the worthwhile struggle to build a new Asia, independent, peaceful and prosperous.

MINJU CHOSON in an editorial says the Korean people set store by the friendship with the Pakistani people. The Korea visit of the Pakistani Government delegation led by Her Excellency Prime Minister Benazir Bhutto marks an important milestone in the history of friendship between the two peoples, the editorial notes.

Pakistani Premier Arrives 29 Dec

*SK2912082193 Pyongyang Korean Central
Broadcasting Network in Korean 0630 GMT 29 Dec 93*

[Text] A government delegation from the Islamic Republic of Pakistan, led by Prime Minister Benazir Bhutto, arrived in Pyongyang via a special plane on the afternoon of 29 December to pay an official goodwill visit to our country at the invitation of the DPRK president, great leader Comrade Kim Il-song.

Thousands of working people in Pyongyang came out to the airport to welcome the Islamic Republic of Pakistan Government delegation led by Prime Minister Benazir Bhutto.

Those warmly welcoming the delegation at the airport were Kang Song-san, premier of the Administration Council; Kim Yong-nam, vice premier of the Administration Council and minister of foreign affairs; Choe Kwang, chief of the General Staff of the Korean People's Army; Vice Premier Kim Pok-sin; chairmen, and ministers of the Administration Council; responsible functionaries of the Ministry of the People's Armed Forces, central organizations, and social groups; Choe Su-il, DPRK ambassador extraordinary and plenipotentiary to the Islamic Republic of Pakistan; and functionaries concerned.

(Shafgat Ali), Islamic Republic of Pakistan charge d'affaires ad interim to DPRK; embassy members, and diplomatic corps of various countries were at the airport.

The Islamic Republic of Pakistan Government delegation led by Her Excellency Prime Minister Benazir

Bhutto received a warm welcome from thousands of people at the airport and was headed for the downtown area where a crowd of approximately 10,000 welcoming people was waiting.

We warmly welcome the Pakistani people's friendship delegation. Our people, under a grand atmosphere in which our people effect an upsurge in socialist economic construction with the spirit of adding the speed of the nineties to Chollima by upholding the decision of the 21st plenary session of the Sixth Central Committee of the Workers' Party of Korea, warmly welcome the Pakistani people's delegation.

The Pyongyang airport and streets of Pyongyang, the revolutionary capital, which receive the Islamic Republic of Pakistan Government delegation led by Prime Minister Benazir Bhutto, were filled with an atmosphere of warm welcome.

Further on Delegation's Arrival

*SK2912114893 Pyongyang KCNA in English
1046 GMT 29 Dec 93*

[Text] Pyongyang, December 29 (KCNA)—A government delegation of the Islamic Republic of Pakistan led by Prime Minister Benazir Bhutto arrived here today by special plane to pay an official goodwill visit to Korea at the invitation of President Kim Il-song of the Democratic People's Republic of Korea.

Seen at the airport were portraits of President Kim Il-song and Prime Minister Benazir Bhutto and slogan boards reading "Warm welcome to the government delegation of the Islamic Republic of Pakistan headed by respected her Excellency Prime Minister Benazir Bhutto!" And "Long live the friendship and solidarity between the peoples of Korea and Pakistan!"

Streets of the capital and Pyongyang airport were in a festive attire to greet the friendly envoy of the Pakistani people.

The guests were met at the airport by Premier Kang Song-san, Vice-Premier and Foreign Minister Kim Yong-nam and officials concerned.

Charge d'affaires ad interim of the Pakistani Embassy here Shafgat Ali Cheema and his embassy officials and diplomatic envoys of different countries here were also present at the airport.

Thousands of Pyongyangites turned out to the airport with miniature flags of the two countries, flowers and welcome decorations.

The Pakistani guests were warmly welcomed by over 100,000 citizens of the capital along the route from the approach to Yonmot-tong to Kumsong Street.

Pak Nam-ki, chairman of the Pyongyang municipal administrative and economic committee, presented a statuette of friendship to Prime Minister Benazir Bhutto

carrying the desire of the Korean people to further develop the friendship between the two countries.

Environmental Delegation Returns From PRC

*SK2612014793 Pyongyang Korean Central
Broadcasting Network in Korean 1300 GMT 25 Dec 93*

[Text] A delegation of the DPRK State Commission for Environmental Protection led by Chang Ki-pong, vice chairman of the commission, returned home by train on 24 December after visiting China.

Defense Minister Greets Vietnamese Counterpart

*SK2412110393 Pyongyang KCNA in English
1027 GMT 24 Dec 93*

[Text] Pyongyang, December 24 (KCNA)—Marshal O Chin-u, minister of the People's Armed Forces, sent a message of greetings to Vietnamese Minister of National Defence Doan Khue on the 49th founding anniversary of the Vietnamese People's Army.

Expressing the belief that the friendly relations between the two armies will develop favourably in the future, the message wished him great success in his responsible work.

Foreign Groups Urge Sincerity in U.S. Talks

*SK2312111593 Pyongyang KCNA in English
1023 GMT 23 Dec 93*

[Text] Pyongyang, December 23 (KCNA)—Foreign political and public circles are strongly urging the United States to take a sincere attitude toward the DPRK-U.S. talks.

The National Committee of the Workers' Party of Zaire released a statement on December 15.

Noting that the main stumbling block in the way of the talks for the solution of the nuclear issue on the Korean peninsula was the United States, it said it was a big mistake that the United States was thinking it could force its will upon the Democratic People's Republic of Korea.

The statement stressed that the United States must come out to talks with Pyongyang with an honest and sincere attitude and the South Korean authorities must behave themselves properly not to repent of what they did in league with the U.S. imperialists.

Yves Grenet, vice-chairman of the French action committee to support the independent and peaceful reunification of Korea, said in his lecture on December 15 that the "nuclear problem" of Korea must be solved in a package deal with both the DPRK and the United States honoring their promises in accordance with the contents of the DPRK-U.S. joint statement.

Radio Reloj of Cuba said the United States must promptly stop such acts as using the "nuclear problem" on the Korean peninsula as a political bait or a bargaining chip.

"If the United States want to persistently use the nuclear issue on the peninsula for its strategic purpose, it would be held responsible for all the consequences entailed therefrom," it added.

The Nepali paper NEPAL NEWS December 15 demanded that the South Korean authorities get the U.S. Forces out of South Korea and join themselves in the efforts for the independent and peaceful reunification of the nation.

'Public Circles' Send Praise to Kim Il-song

*SK2312112193 Pyongyang KCNA in English
1039 GMT 23 Dec 93*

[Text] Pyongyang, December 23 (KCNA)—The revolutionary people and the progressive public circles of the world lifted up their voices of praise and reverence for the great leader President Kim Il-song this year.

Congratulatory telegrams and letters came to him from party and state leaders of more than 100 countries, political parties of different countries, international organisations, chuche idea study organisations and organisations of friendship and solidarity with the Korean people on his birthday and other major occasions.

Mass media of some 30 countries including the Paleya Publishing House brought out in booklet classical works of President Kim Il-song consummating the chuche idea and the truth of the revolution and construction, and seminars and other sessions on his works were held in many countries on over 1,500 occasions to study and disseminate his ideology and theory and immortal exploits.

Political, public and academic figures of various countries formed the "International Kim Il-song Prize" Council as an token of their desire and will to glorify forever the immortal contributions of President Kim Il-song to mankind's common cause of anti-imperialism and independence.

Over 20 books on his greatness including "Kim Il-song, He Is the Great Leader of Present Time" were published and nearly 200 poems composed in many countries.

World Figures Express 'Respect' for Kim Chong-il

*SK2812111293 Pyongyang KCNA in English
1011 GMT 28 Dec 93*

[Text] Pyongyang, December 28 (KCNA)—Political and public figures of the world this year expressed their respect and reverence for the dear leader Comrade Kim

Chong-il who is leading the human cause of independence to victory with his rare intelligence, matchless grit and tested leadership.

This year more than 4,070 congratulatory messages and letters and solidarity letters came to Comrade Kim Chong-il from high-ranking officials including 568 party and state leaders and government heads of 108 countries.

Orders, medals, titles of honorary professor and honorary citizenship were conferred on him in many countries in high estimation of his undying feats for the Korean revolution and the victory of the cause of independence worldwide.

Comrade Kim Chong-il also received more than 1,900 gifts non some 560 occasions from 77 party, state and government leaders, high-ranking officials of political, public and military sections and figures of different strata of 88 countries.

Meanwhile, colorful functions, such as celebration meetings, friendly gatherings and the Chong-il peak cup sports contests took place in some 100 countries on the occasion of the birthday of the dear leader and other anniversaries.

Comrade Kim Chong-il's classical works "Abuses of Socialism Are Intolerable", "On the Fundamentals of Revolutionary Party Building" and "The Historical Lesson in Building Socialism and the General Line of Our Party" and other works were translated and published in their national languages in 19 countries including India, Pakistan, Russia, Yugoslavia, Portugal, Norway and Namibia, and 172 publications of 65 countries carried articles about his greatness.

His works were disseminated and studied in many countries through seminars, etc.

The revolutionary people and public circles of the world expressed admiration at the rare and tested leadership ability of the dear leader, saying Korean socialism under his guidance has become an "invincible socialism" that has achieved the singlehearted unity of the leader, the party and the masses.

Kim Il-song Sends Message to King of Nepal

*SK2712101893 Pyongyang KCNA in English
1009 GMT 27 Dec 93*

[Text] Pyongyang, December 27 (KCNA)—President Kim Il-song of the Democratic People's Republic of Korea today sent a message of greetings to Nepalese King Birendra Bir Bikram Shah Dev on his birthday.

Wholeheartedly wishing the king good health and happiness and Nepal prosperity, President Kim Il-song expressed the belief that the friendly and cooperative relations between the two countries would continue to develop.

Pyongyang Papers Observe National Day of Nepal*SK2812112793 Pyongyang KCNA in English
1001 GMT 28 Dec 93*

[“National Day of Nepal Observed”—KCNA headline]

[Text] Pyongyang, December 28 (KCNA)—Papers here today congratulate the Nepalese people on their national day.

A by-lined article of MINJU CHOSON says the Nepalese Government and people have registered successes in their vigorous endeavors to develop the national economy and culture.

The article says:

The Korean people rejoice at the achievements of the Nepalese people in their building of a new society.

Both Korea and Nepal are developing countries in Asia and member states of the Non-Aligned Movement, and they established diplomatic relations at ambassadorial level in May 1974 and have developed friendship and cooperation. The Korean people believe that the friendly and cooperative relations between the governments and peoples of the two countries will grow stronger in the future, and wish the Nepalese people greater progress in their work for the prosperity of the country.

Zambian Defense Ministry Delegation Departs*SK2712004593 Pyongyang Korean Central
Broadcasting Network in Korean 1300 GMT 25 Dec 93*

[Text] The Zambian Defense Ministry delegation led by its Vice Minister (Chitalu Malama Sampa) returned home on 25 December by plane. Lieutenant General (Yi Mong-u) of the Korean People's Army bid farewell to the delegation at the airport.

Greetings Sent to Equatorial Guinea Legislator*SK2312112793 Pyongyang KCNA in English 1051
GMT 23 Dec 93*

[Text] Pyongyang, December 23 (KCNA)—Yang Hyong-sop, chairman of the Supreme People's Assembly of the DPRK, sent a message of greetings to Felipe Ondo Obiang upon his election as chairman of the People's Chamber of Representatives of the Republic of Equatorial Guinea.

The message expressed the belief that the friendly relations between the Supreme People's Assembly of the DPRK and the People's Chamber of Representatives of Equatorial Guinea would favourably develop in the interests of the two peoples and wished him success in his work.

Papers Mark Anniversary of Afghanistan Ties*SK2612090493 Pyongyang KCNA in English
0821 GMT 26 Dec 93*

[Text] Pyongyang, December 26 (KCNA)—Papers here today dedicate articles to the 20th anniversary of the opening of diplomatic relations between Korea and Afghanistan.

The opening of diplomatic relations between Korea and Afghanistan at ambassadorial level on December 26, 1973, marked a new occasion in upgrading the friendly relations between the two peoples, NODONG SINMUN in a signed article says, and goes on:

Today the Afghan people are striving to achieve national reconciliation and unity and political stability of the country. A series of talks were held recently between the government and the opposition forces and they tend to settle the dispute in a peaceful way. This gives hope to the Afghan people longing for peace.

The Korean people want to see an early negotiated settlement of the national dispute and peace and stability in Afghanistan.

They will make strenuous efforts to develop the friendly relations with the Afghan people under the idea of independence, peace and friendship.

MINJU CHOSON in a by-lined article says the Korean people wish the Afghan people new success in their efforts to defend the sovereignty of the country, attain national reconciliation and unity and build a prosperous new society.

Canadian Group Supports 'Independent' Policy*SK2812113193 Pyongyang KCNA in English
1005 GMT 28 Dec 93*

[Text] Pyongyang, December 28 (KCNA)—The Koreans present at a celebration of the third anniversary of the inauguration of the Canadian headquarters of the National Alliance for the Country's Reunification (Pomminnyon) expressed full support to the independent diplomacy of the DPRK for the solution of the nuclear problem on the Korean peninsula and vowed to continue the movement for reunification without interruption, THE NEW KOREA TIMES, a newspaper of Koreans in Canada, reported.

In his speech at the celebration, the chairman of the headquarters, Chon Chong-nim, expressed the resolve to make 1994 a year of new leap in the reunification movement of Pomminnyon and denounced the U.S. imperialists for turning South Korea into a nuclear base and obstructing the reunification of the Korean peninsula.

The statement adopted at the celebration noted with indignation that the United States is conducting an anti-DPRK campaign over the fictitious “nuclear problem.” It said that the U.S. scheme to create military

tensions on the Korean peninsula again on the pretext of fictitious "nuclear threat from the North" proves that the United States does not want peace on the peninsula.

The attempts of the Kim Yong-sam "government" to do harm to fellow countrymen by instigating the United States on the pretext of the "nuclear problem" will create military tensions on the Korean peninsula and add to the burden on the ever-worsening South Korean economy.

Daily Notes ASEAN Ministers' Discussions

SK2512052693 Pyongyang KCNA in English
0439 GMT 25 Dec 93

[**"Positive Move"**—KCNA headline]

[Text] Pyongyang, December 25 (KCNA)—The participants in a meeting of the information ministers of the member states of the Association of South-East Asian Nations (ASEAN) held in Manila some time ago unanimously stressed the need to further strengthen mass media of the ASEAN member states and develop exchange and cooperation among them in order to put a stop to the arbitrariness of the West in information. Commenting on this, MINJU CHOSON today assesses this as a positive move.

The news analyst says:

We hope that the points discussed and agreed upon at the recent meeting of the information ministers of ASEAN countries will be properly carried into practice to contribute to the independent development and prosperity of the region.

Still now the imperialists are making desperate efforts to hold sway over the international community and the destiny of humanity as the only and one dominator of the globe by retaining the old order of domination and subjugation. Having monopolized modern information media, they are stifling the just voices of people and misleading public opinion at random, while massively spreading reactionary ideologies and culture and distorted information according to their demands and interests.

The information agencies of the countries of the new-emerging forces should roundly expose the aggressive and predatory nature of the imperialists and their neo-colonialist methods, decisively oppose the infiltration of bourgeois ideologies and culture eroding the healthy spirit of people, widely introduce the just struggle of the people for independence, sovereignty and social progress and strengthen international solidarity with it.

The successful holding of the Manila meeting showed that the developing countries continue developing unity and cooperation in information services.

We will make every possible effort to boost exchange and cooperation with the newly-emerging countries in information services and discharge our responsibility and duty with sincerity.

Election of Kim Chong-il as KPA Chief Marked

PAF Ministry Meeting Held

SK2412051093 Pyongyang KCNA in English
0424 GMT 24 Dec 93

[Text] Pyongyang, December 24 (KCNA)—A meeting of the Ministry of People's Armed Forces (PAF) was held at the February 8 house of culture Thursday on the occasion of the second anniversary of the election of the dear leader Comrade Kim Chong-il as supreme commander of the Korean People's Army (KPA).

In his report, Choe Kwang, vice-chairman of the National Defence Commission of the DPRK and chief of general staff of the KPA, said the election of the dear leader Comrade Kim Chong-il as KPA supreme commander at the 19th plenary meeting of the Sixth Central Committee of the Workers' Party of Korea on December 24, 1991, was a great event which provided a definite guarantee for carrying forward and accomplishing the *chuche* cause of army building through generations and strengthening and developing the KPA to be ever-victorious revolutionary Armed Forces always unfailingly loyal to the party and the revolution.

He noted that, through the efforts to follow the examples of the first and second generations of the Korean revolution, the KPA has grown stronger to be revolutionary Armed Forces which, replete with the revolutionary spirit of Mt. Paektu and the one-beats-a-hundred spirit, is steadfastly guaranteeing the cause of the party with arms, carrying forward the purity of the blood of *chuche*.

"Our People's Army has become an invincible army capable of successfully carrying out any operation and battle, equipped with powerful offensive and defensive means," he declared.

Noting that comrade supreme commander of the KPA has smashed all the frantic anti-socialist, anti-DPRK moves of the imperialists and the reactionaries with an iron will and superb strategy and tactics, the reporter stressed:

"He is, indeed, our destiny, the symbol of our happiness and the banner of our victory."

The reporter called for further consolidating the single-hearted unity of the whole army around comrade supreme commander, thoroughly establishing the party's leadership system, establishing a revolutionary military discipline in the KPA and increasing the combat power of the units and sub-units in every way and keeping them in full combat readiness.

PAF Soiree Reported

SK2612014593 Pyongyang Korean Central
Broadcasting Network in Korean 2200 GMT 24 Dec 93

[Text] The Ministry of the People's Armed Forces arranged a soiree at the Front Square yesterday [24 December] in celebration of the second anniversary of

the election of dear leader Comrade Kim Chong-il as supreme commander of the Korean People's Army [KPA].

The square was all decorated in the celebratory mood and enlivened by the People's Army soldiers, who flocked with great dignity and pride in protecting socialism of our own style firmly with arms, filled with faith of a certain victory and revolutionary optimism and upholding the great sagacious general at the head of the revolutionary armed forces.

Comrade Choe Kwang, vice chairman of the DPRK National Defense Commission and chief of the General Staff of the KPA, and responsible functionaries of the People's Armed Forces were at the rostrum.

A chorus of the song "Dear Leader Comrade Kim Chong-il" was followed by a responding chorus of the lyric lines "Only With You, We Can Win." Next, meaningful celebratory performances were held in the square.

When the melody of the song "We Extend Honor to Dear Comrade Leader" rang in the square, which had been seethed with songs of honor and loyal enthusiasm, an exciting dance party began for the soldiers.

The soiree vigorously demonstrated our People's Army soldiers' absolute trust in and thoroughgoing loyalty to the comrade supreme commander and their abounding faith to firmly guarantee the party's cause, the socialist cause, with revolutionary guns [hyongmyongui chongdaero].

Army Marks Anniversary

*SK2512051393 Pyongyang KCNA in English
0429 GMT 25 Dec 93*

[Text] Pyongyang, December 25 (KCNA)—Meetings took place at units of the three services of the Korean People's Army in celebration of the second anniversary of the election of the dear leader Comrade Kim Chong-il as supreme commander of the Korean People's Army.

Commanding officers of the units made reports at the meetings.

The reporters said in the past two years after the election of the great Comrade Kim Chong-il as supreme commander the Korean People's Army has entered a new stage in its development and proud successes have been registered in the Korean revolution and the building of the revolutionary Armed Forces.

Today the People's Army under the sagacious leadership of comrade supreme commander has become loyal combat ranks whose members are ready to dedicate their lives to a fight for the party and the leader, the country and the people and an invincible army with strong offensive and defensive means for successfully carrying out any operation and battle and grown stoutly to be a

staunch defender of the party and the people and dependable guard of the socialist motherland, they noted.

Recalling that comrade supreme commander drove back the counterrevolutionary offensive of the enemies with his iron will and unparalleled grit, they said neither the dignity and honor of our country and nation nor the happiness and future of our people are thinkable apart from his guidance.

Evenings, art performances and sports games were held Friday at the Ministry of People's Armed Forces and People's Army units on this occasion.

Public Security Ministry Meeting

*SK2412052993 Pyongyang KCNA in English
0435 GMT 24 Dec 93*

[Text] Pyongyang, December 24 (KCNA)—A meeting of men of the Ministry of Public Security was held Thursday at the Ponghwa Art Theatre to commemorate the second anniversary of the election of the dear leader Comrade Kim Chong-il as supreme commander of the Korean People's Army.

Present there were Minister of Public Security Vice Marshal Paek Hak-nim, generals, public security men and soldiers of the Korean People's Security Forces [KPSF].

A report by Chang Song-u, director of the political department of the Ministry of Public Security, was followed by speeches at the meeting.

The reporter and speakers said that by holding General Kim Chong-il in high esteem at their head the revolutionary Armed Forces came to exalt their pride of being a mighty matchless strong army capable of smashing any formidable enemy at one stroke.

Comrade supreme commander has wisely led the public security organ to fully discharge its mission and duty to defend the party and the leader with their lives, surely guarantee the Korean-style socialism legally, and firmly defend the lives and property of the people, they stressed.

They said the public security men and soldiers of the Korean People's Security Forces should be united as firm as a rock around comrade supreme commander and uphold the leadership of the party with loyalty, with an indomitable will and the steadfast conviction that their revolutionary cause is sure to win victory as he leads the party and revolutionary Armed Forces.

They pointed out that the security men and KPSF soldiers should always heighten vigilance against the new war provocation manoeuvres of the U.S. imperialists and the South Korean puppet clique and get themselves fully ready in politico-ideological and military technological aspects so as to creditably defend the Korean-style socialism centred on the popular masses.

A message of pledge to Comrade Kim Chong-il, supreme commander of the Korean People's Army, was adopted at the meeting.

Performances Given on Anniversary

*SK2512052193 Pyongyang KCNA in English
0434 GMT 25 Dec 93*

[Text] Pyongyang, December 25 (KCNA)—Performances were given Friday at the East Pyongyang Grand Theatre, the Pyongyang Grand Theatre and other theatres in Pyongyang on the occasion of the significant second anniversary of the election of the dear leader Comrade Kim Chong-il as supreme commander of the Korean People's Army and the birth anniversary of Comrade Kim Chong-suk [Kim Chong-il's mother], the anti-Japanese heroine and an indomitable communist revolutionary fighter.

Appreciating the performances were Yi Chong-ok and Pak Song-chol, Politburo members of the Central Committee [C.C.] of the Workers' Party of Korea [WPK] and vice-presidents, Kye Ung-tae, Politburo member and secretary of the C.C., WPK, and other senior party and government officials, men and officers of the People's Army and working people in the city.

The performers put on stage poems, songs, instrumental music, dances and acrobatic pieces, all of which showed the great emotion and joy of the day two years ago which was recorded as a historical day in the struggle of the Korean people for the strengthening and development of the Korean People's Army, the revolutionary Armed Forces of the party, and the accomplishment of the revolutionary cause of *chuche*, and their unshakable faith and will to defend the man-centred socialist system of Korean style and give full play to its advantages under the leadership of comrade supreme commander.

The performers also staged colorful programs dealing with the brilliant life and immortal feats of Comrade Kim Chong-suk who dedicated her life to the freedom and happiness of the people and brought up the future leader of Korea.

Celebration performances were also given at local theatres.

Radio Notes Leaders Attend Shows

*SK2512103193 Pyongyang Korean Central
Broadcasting Network in Korean 2100 GMT 24 Dec 93*

[Excerpts] Celebratory performances were held in theatres in Pyongyang yesterday [24 December] on the second anniversary of the election of Comrade Kim Chong-il, dear leader of our party and people, as supreme commander of the Korean People's Army [KPA] and on the birth anniversary of Comrade Kim Chong-suk, anti-Japanese heroine and indomitable communist revolutionary fighter. [passage omitted]

Artists of the Mansudae Art Troupe performed at the Tongpyongyang Grand Theater. Comrade Pak Song-chol, member of the Political Bureau of the Workers Party of Korea [WPK] Central Committee and vice president; Comrade Kye Ung-tae, member of the Political Bureau of the WPK Central Committee and secretary of the party Central Committee; Comrade Choe Yong-nim, alternate member of the Political Bureau of the WPK Central Committee and vice premier of the State Administration Council [SAC]; Comrade Kim Kwang-chin, vice marshal of the KPA; Comrade Kim Kuk-tae, secretary of the WPK Central Committee; Comrade Kim Pok-sin, vice premier of the SAC; Comrade Chon Mun-sop, chairman of the State Inspection Committee of the Central People's Committee; functionaries concerned; officers and men of the KPA; and working people from various classes and strata watched the performance. [passage omitted]

Artists of the Pibada Opera Troupe performed at the Pyongyang Grand Theater. Comrade Yi Chong-ok, member of the Political Bureau of the WPK Central Committee and vice president; Comrade Yang Hyong-sop, alternate member of the Political Bureau of the WPK Central Committee and chairman of the SPA; Comrades Kim Chung-nin and Kim Ki-nam, secretaries of the WPK Central Committee; Comrade Yun Ki-pok, chairman of the Economic Policy Commission of the Central People's Committee; functionaries concerned; officers and men of the KPA; and working people from various classes and strata watched the performance. [passage omitted]

KCNA Reports People 'Actively Support' Army

*SK2712224993 Pyongyang KCNA in English
2146 GMT 27 Dec 93*

[Text] Pyongyang, December 27 (KCNA)—People actively support the Army in the Democratic People's Republic of Korea.

Recently, Comrade Kim Chong-il, supreme commander of the Korean People's Army [KPA], extended thanks to local party organisations and administrative and economic bodies in Kaechon City, South Pyongan Province; in Pakchon County, North Pyongan Province; and other areas; the Huichon machine tool complex and other industrial establishments, cooperative farms, hospitals, schools and other units and working people for showing examples in supporting the People's Army.

The working people across the country sincerely support the Army, saying the Army must be strong, if Korean-style socialism centred on the masses is to be defended firmly.

Anju, Tokchon and other cities and Kujang, Yongbyon and other counties in North and South Pyongan Provinces help soldiers materially and morally in building the Pyongyang-Hyangsan express highway.

Working people there supply building materials and take care of the life of the soldiers so that they can successfully fulfill their assignments.

Working people in Mangyongdae district, Pyongyang, in Changpung County, Kaesong municipality, and in Kosong County, Kangwon Province, visited units of the People's Army with silk banners and souvenirs and held joint meetings there, encouraging the soldiers.

Pupils of many schools including the Sugu Senior Middle School in Kujang County are actively waging the "our school-our post" movement. They send letters to KPA soldiers and give art performances at KPA units, inspiring the soldiers to display the honor of being soldiers each a match for a hundred foes.

Medical workers devote all their sincerity for KPA soldiers.

Doctors of the Anju City people's hospital and their families grafted some 380 pieces of their skin on a fatally burned soldier of the KPA to save him. Doctors of the South Hwanghae provincial people's hospital transfused 8.8 kilograms of their blood into a wounded officer of the KPA.

People's hospitals in Tongchon and Pihyon Counties also saved many soldiers of the KPA through sincere treatment.

This year alone 16 cities, counties and districts including Mangyongdae district, Pyongyang, Kaechon City, South Pyongan Province, and Taechon County, North Pyongan Province, won the title of model county (city or district) in army-people unity for their distinguished examples in giving full play to the beautiful tradition of the Army-people unity.

Diplomatic Corps Presents Letter to Kim Il-song

SK2812110793 Pyongyang KCNA in English
1036 GMT 28 Dec 93

[Text] Pyongyang, December 28 (KCNA)—The diplomatic corps in Korea presented a floral basket and a congratulatory letter to the great leader President Kim Il-song on the threshold of the New Year 1994.

Cuban Ambassador Juan Jose Leon Vega handed the floral basket and the congratulatory letter to Vice-Premier and Foreign Minister Kim Yong-nam today on behalf of the diplomatic corps.

Presents Letter to Kim Chong-il

SK2812110893 Pyongyang KCNA in English
1037 GMT 28 Dec 93

[Text] Pyongyang, December 28 (KCNA)—The diplomatic corps in Korea presented a floral basket and a congratulatory letter to the dear leader Comrade Kim Chong-il on the threshold of the New Year 1994.

Cuban Ambassador Juan Jose Leon Vega handed the floral basket and the congratulatory letter to secretary of the C.C. [Central Committee], the Workers' Party of Korea Hwang Chang-yop today on behalf of the diplomatic corps.

Mass Rallies Held To Implement WPK Resolution

SK2612090093 Pyongyang KCNA in English
0802 GMT 26 Dec 93

[Text] Pyongyang, December 26 (KCNA)—Mass rallies took place in South and North Hwanghae, South and North Hamgyong, North Pyongan and Kangwon Provinces, Nampo Municipality and Chagang Province from December 22 to 26 to implement the resolution of the 21st plenary meeting of the 6th Central Committee of the Workers' Party of Korea [WPK] to the letter.

Reporters and speakers at the rallies pointed to the great achievements made by the Korean people united behind the party and the leader in one mind in the socialist economic construction and in the betterment of the people's living even under the complex situation and manifold difficulties during the third seven-year plan.

Noting that the plenary meeting set the 2 to 3 years to come as an adjusting period of socialist economic construction and put forth a strategic policy of directing primary efforts to agriculture, light industry and foreign trade in this period, they called for effecting a great upswing in production and construction by fully displaying the revolutionary spirit of self-reliance and hard struggle in carrying through the policy.

Daily Features Pomminnyon's Reunification Plan

SK2512054993 Pyongyang KCNA in English
0502 GMT 25 Dec 93

["Pomminnyon's Patriotic Movement for Reunification Will Certainly Triumph"—KCNA headline]

[Text] Pyongyang, December 25 (KCNA)—The simultaneous publication of the programme and statute of the National Alliance for the Country's Reunification (Pomminnyon), a nationwide umbrella of reunification movement, in Pyongyang, Seoul and Tokyo by Pomminnyon organisations in the North, the South and overseas on December 16 marked an epochal turn in consolidating, expanding and developing the Pomminnyon organisations and recorded another great success in the development of the patriotic movement of Pomminnyon for reunification, declares NODONG SINMUN in a commentary today.

Stressing that the organisational strengthening of Pomminnyon is its life and soul, the analyst says:

With the publication of its programme and statute, Pomminnyon has become able to further expand, strengthen and develop its movement with a clear goal and orientation and the basic guideline of its activities.

And, with the organisational principle of Pomminnyon defined, a broad avenue is opened for organisations of reunification movement involving various strata and patriots in all areas of the North, the South and overseas to join Pomminnyon and thus it has become possible to strengthen the driving force of reunification by rallying broader patriotic forces of reunification under the banner of Pomminnyon.

Pomminnyon is immediately the great national unity of the North, the South and overseas and the latter is immediately the reunification of the country.

The South side headquarters of Pomminnyon has not been formed till now entirely because the splittist group of South Korea is persistently trying to disorganize and split Pomminnyon by setting in motion such plot-breeding tool as the puppet security planning board.

The Pomminnyon organisations should powerfully promote the patriotic movement for great national unity and national reunification in accordance with the idea and principle laid down in the programme and statute of Pomminnyon.

Symposium on Yi In-mo's Song for Kim Chong-il

SK2412062993 Pyongyang KCNA in English
0428 GMT 24 Dec 93

[Text] Pyongyang, December 24 (KCNA)—A symposium of writers on a poem and song which Yi In-mo, a former war correspondent of the Korean People's Army, wrote and presented to the dear leader Comrade Kim Chong-il was held here Thursday.

In the poem titled "To the Dear Leader", Yi In-mo says it is Comrade Kim Chong-il who has bestowed a good fortune on him who was called by a prison number, devoid of his name in prison in South Korea and was a breathing fossil, and praised him as the incarnation of faith and will, and stresses that the dear leader represents the fate of the nation and humanity and is the incarnation of great love.

In the song "We Will Win Because You Are Leading Us" he sings that we will win, fearing no enemy because General Kim Chong-il tames the adverse wind and leads the people with all-embracing politics, creating miracles.

Speakers said that the poem and song represent the noblest thought and feelings based on the firm revolutionary outlook on the leader that men of chuche-type must possess.

The main idea which runs through the poem and song is absolute worship of the leader whom he follows, entirely entrusting all his life to him and praise of the greatness of the leader, they noted.

They said that as he has absolute trust in the leader, Yi In-mo could express the firm ideological feelings that our

socialist cause, the revolutionary cause of chuche, is invincible as long as the dear leader Comrade Kim Chong-il leads us.

Kang Kwan-son Reports to Women's Union Meeting

SK2812042493 Pyongyang KCNA in English
0412 GMT 28 Dec 93

[Text] Pyongyang, December 28 (KCNA)—A national meeting of women's union officials was held here Monday to swear their allegiance to accomplish the cause of socialism under the leadership of the dear leader Comrade Kim Chong-il.

Kang Kwan-son, secretary general of the C.C. [Central Committee], Korean Democratic Women's Union, made a report at the meeting which was followed by speeches.

The reporter and speakers referred to the immortal exploits performed by Comrade Kim Chong-il in turning the whole society into one big harmonious family with his rare wisdom, energetic and tested leadership and politics of trust and love, strengthening and developing the Korean People's Army into an invincible strong army and thus bringing about a great heyday of development and prosperity in the country. They said Comrade Kim Chong-il is a true leader of people with both literary and military accomplishments and loyalty and filial piety and an ever-victorious iron-willed brilliant commander.

Noting that it is the most important task facing the union to further strengthen the singlehearted unity of the whole society around Comrade Kim Chong-il and uphold his leadership with loyalty, they stressed the need to arm the union members with the idea of the party and prepare them as true loyal subjects, filial women.

A message of pledge to Comrade Kim Chong-il was adopted at the meeting.

Kim Chong-il Sends Thanks to Medical Scientists

SK2712043793 Pyongyang KCNA in English
0402 GMT 27 Dec 93

[Text] Pyongyang, December 27 (KCNA)—The dear leader Comrade Kim Chong-il extended thanks to scientists and technicians of the Pharmacy Institute and the Synthetic Pharmacy Institute of the Academy of Medical Science of Korea for their success in the research and production of medicines for the promotion of the people's health.

Those of the Pharmacy Institute had achieved a big success in manufacturing efficacious medicines with various medicinal herbs.

Those of the Synthetic Pharmacy Institute had solved scientific and technical problems in the easy industrial production of a newly invented medicine.

KCNA Reports on Medical Care Situation

*SK2312065793 Pyongyang KCNA in English
0409 GMT 23 Dec 93*

[Text] Pyongyang, December 22 (KCNA)—The number of doctors per 10,000 heads of the population has reached 29.7 in the Democratic People's Republic of Korea at the end of 1993.

The figure was 0.5 before the liberation of the country.

At that time, 60 percent of myons (sub-county) had no doctor and some counties like Sinpyong County, North Hwanghae Province, had only one public doctor.

But Korea has now reached the world standards in the number of doctors in proportion to the population.

Under the popular health policy of the Workers' Party of Korea which embodies the great *chuche* idea, an anthropocentric idea, many medical care centers have made their appearance everywhere in the country and the number of medical workers has rapidly increased.

People's hospitals have been set up in every nook and corner of the country and networks of specialized medical services are ramified over the whole land.

In recent years, the modernly equipped Oun hospital was built at the entrance of Kwangbok street in the capital, dental branch hospitals appeared in cities and counties and the Nampo University of Medicine, the Pyongyang College of Surgery and training centres of medical workers have been set up.

In Korea the section doctor system, the most advanced medical service system, is now in force. Everyone has his or her own doctor and receives systematic medical services in the form of regular checkup, consultation with doctors and preventive inoculation.

Many medical workers are trained every year by universities of medicine in all provinces and several dozen training centres of various forms to be sent everywhere people live—towns, rural areas, factories, fishing villages, forestry workers' settlements and isolated islets.

The protection of the people's health is definitely guaranteed by the public health law adopted in April, 1980.

Scientific, Technical Achievements Outlined

*SK2412050493 Pyongyang KCNA in English
0414 GMT 24 Dec 93*

[Text] Pyongyang, December 23 (KCNA)—Sizable scientific and technical achievements of weighty importance in the *chuche*-orientation, modernization and scientification of the national economy have been registered in Korea in the Third Seven-year Plan period (1987-1993).

In this period over 12,000 inventions and hundreds of thousands of innovation and rationalization proposals have been introduced into different domains of the

national economy to lay a solid foundation for developing the nation's science and technology to a new, higher stage.

A turn has been effected in the researches for rapidly developing electronic engineering. Scientists and technicians in this field have made many successes in the researches into and development of electronic materials and elements, electronic computers, automation devices and robots.

A research group of the General Bureau of Automation Industry under the Electronics and Automation Industry Commission succeeded in developing and massproducing some 260 kinds of micro and highly efficient electronic elements and control devices intended for the production of latest-type numerical control (NC) machine tools.

On the basis of these successes bases have been built for the serial production of "Kusong 104" NC lathes, NC universal processing lathes, NC pentahedral processing centre and other NC machine tools.

A big progress has been made in the development of science and technology in such pace-setting domains of the national economy including mining and metal industries and railway transport.

The geological institute of Kim Chaek University of Technology developed and introduced a new physical prospecting method, making it possible to correctly measure the depth and amount of the deposit, and metal content rate of such sandy mineral resources as alluvial gold, magnetite and tungsten without the use of a test drill. Much precious underground resources have already been found in different places of the country by this method.

The Ferrous Metal Institute of the Academy of Sciences developed durable high-precision new materials.

Besides many latest-style machine-building technologies for a laser processing machine, a small-scale universal coal-cutter, and a premature infant nursing apparatus have been developed in large number.

A lot of scientific and technical problems have been solved in bio-engineering, thermotics and ultracryogenics to open a new prospect of development.

During the fulfilment of the plan a host of inventions of Korean scientists and technicians including a five-language typewriter, a superhigh vacuum pump and nickel production method by microorganism were highly appreciated at international invention and new technology exhibitions and world scientific and technological forums.

'Tangible Achievements' in Chemical Industry

*SK2412105993 Pyongyang KCNA in English
1023 GMT 24 Dec 93*

[Text] Pyongyang, December 24 (KCNA)—Tangible achievements have been made in the chemical industry in Korea in the Third Seven-Year Plan period (1987-1993).

In this period, the first-stage project of the Sunchon vinalon complex, a chuche-oriented chemical giant, was completed and commissioned and the chemical fibre mills including the Sinuiju chemical fibre complex were reinforced.

Many production processes including the oxygen plant of the February 8 vinalon complex were completed and a sodium carbonate plant, a caustic soda plant and other basic chemicals factories were built.

The production capacities of chemical goods such as chemical fibre, methanol and vinyl chloride have grown remarkably.

In the plan period, the output of chemical fertilizers rose 50 percent and their qualitative composition improved.

The production capacity of the Hungnam fertilizer complex increased considerably with the successful introduction of large-size and streamlined equipment in a short period and the construction of the methanol production system and the modernisation of the electric conversion system.

The existing chemical fertilizer factories and agricultural chemicals factories were reconstructed on modern lines, and the Anju Hukposan fertilizer factory and other organic mineral fertilizer factories made their appearance.

The potassic fertilizer industry relying on rich domestic resources was founded in Sariwon, opening a new [word indistinct] development in the [word indistinct] of chemical fertilizers.

The chemical industry of the nation has developed into a powerful industry with both organic and inorganic sectors strictly depending on domestic raw material, fuel and other resources, and now satisfactorily meets the growing needs of the national economy for chemical products.

Garment Company Gives Top Priority to Trade

*SK2612042693 Pyongyang Korean Central
Broadcasting Network in Korean 1200 GMT 25 Dec 93*

[Text] Upholding the decisions reached at the 21st plenary session of the Sixth Workers Party of Korea Central Committee, the Korea Garment Trade Company is implementing the party policy on giving top importance to trade [muyok cheilchu-ui], while it gains recognition with its exports.

After modernizing the facilities of its affiliated plants, the company is perseveringly pushing ahead with production and exports and is making great efforts to guarantee timely production to maintain its reputation.

As a result, Pyongyang Garment Plant, Pyongyang Children's Clothes Plant, Pyongyang Changgwang Clothes Plant, Oesong High-Grade Garment Plant, Mangyongdae Garments Plant, and many other plants have increased their production capacity by 1.3 times. They manufactured and exported tens of thousands of high quality coats, quilted clothing, and jackets this year.

Library Built in Honor of 'Revolutionary Fighter'

*SK2512050193 Pyongyang KCNA in English
0424 GMT 25 Dec 93*

[Text] Pyongyang, December 25 (KCNA)—The People's Library was built in Hoeryong city in the northern tip of Korea on the occasion of the 76th birth anniversary of Comrade Kim Chong-suk, an indomitable communist revolutionary fighter (December 24, 1917.)

Hoeryong is a time-honored place where Comrade Kim Chong-suk was born.

The library can house 300,000 books.

It has "the study room of the revolutionary idea of the great leader Comrade Kim Il-song," "the study room of the revolutionary idea of the dear leader Comrade Kim Chong-il" and "the study room on Comrade Kim Chong-suk, indomitable communist revolutionary fighter" and reading rooms of social and natural sciences and reading rooms classified according to languages and the levels of knowledge.

It also has question-and-answer rooms for scientists, technicians and experts and is well furnished with facilities for their scientific researches and modern facilities including tape-recorded lecture halls, micro-film review rooms, a mathematic books room for students and a film projection room.

The opening ceremony of the People's Library took place Friday.

Daily Lauds Spirit of Great Chollima Upsurge

*SK2812132393 Pyongyang Korean Central
Broadcasting Network in Korean 0200 GMT 28 Dec 93*

[NODONG SINMUN 28 December editorial: "Let Us Vigorously Advance With the Same Spirit and Mettle Displayed in the Great Chollima Upsurge Era"]

[Text] Today we significantly mark the 37th anniversary of the respected and beloved great leader Comrade Kim Il-song's visit to the Kangson working class and the time when he started the great Chollima Movement, with the thrill of vigorously advancing the spirit of Chollima spurred on by the speed of the nineties and, in this way,

uphold the decision of the 21st plenary session of the Sixth Workers Party of Korean Central Committee.

All the people are now full of a firm resolution to vigorously accelerate the all-out socialist march with the same spirit and mettle displayed in the period of the great Chollima upsurge, thus proudly recalling the history in which the great leader Comrade Kim Il-song visited the Kangson working class at a time when our revolution was undergoing a difficult trial and effected the great Chollima upsurge by inspiring the popular masses' creativity.

The dear leader Comrade Kim Chong-il has indicated: All party members must actively follow and learn the high sense of loyalty to the party and the leader [suryong] and the revolutionary spirit of self-reliance and fortitude displayed by party members and working people in the postwar reconstruction and great Chollima upsurge period.

Struggling with the same spirit and mettle displayed in the period of the great Chollima upsurge under the leadership of the party and the leader [suryong] is an important requirement for accelerating socialist construction and safeguarding and adhering to socialism of our own style.

The great Chollima upsurge in our country was effected in the postwar period when our revolutionary was undergoing a difficult trial. The country's situation was very difficult at that time. The U.S. imperialists and the South Korean puppet clique ran amok recklessly for a northward invasion. International revisionists and factions, who were completely infected with flunkeyism with the backing of the puppet, viciously challenged our party.

It was very difficult to rise again from the situation in which everything was destroyed and became ruined. How to overcome the prevailing difficult situation, which would determine the fate of the revolution, was a serious problem. To overcome it, the great leader Comrade Kim Il-song convened the historic party plenary session in December 1956 and presented a revolutionary policy of effecting a great upsurge in the construction of socialism. He personally went down to the Kangson working class and inspired their revolutionary zeal and creative power.

All the people, including the Kangson working class, effected a great Chollima march by displaying an indomitable spirit of struggle under the intent of the party and the leader [suryong]. A brilliant example, which shows with what spirit and mettle the people carrying out the revolution should promote socialist construction was created at the time.

The revolutionary spirit in the great Chollima upsurge is the spirit of loyalty to carry out the revolution by only trusting the party and the leader [suryong]. This is the spirit of self-reliance and fortitude to face up to and overcome any difficulty by one's own might. Because our

people lived and struggled in this spirit, they could make a long drive without any stagnation and stalemate in socialist construction, and successfully build and glorify socialism of our own style.

Today our party importantly stresses that all the people should live and fight with the same spirit and mettle as displayed in the great Chollima upsurge. Herein was reflected the practical demands of the socialist economic development of our country and the will of our party and people that want to endlessly consummate the socialist cause of our own style.

Our party, in the historic 21st plenary meeting of the Sixth Central Committee of the Workers' Party of Korea, set the next two or three years as a grace period for socialist economic construction and presented its strategic policy on giving priority to agriculture, light industry, and trade during the period.

The revolutionary economic strategy of the party can only be brilliantly achieved when a new great upswing in economic construction is being effected.

Our people have already achieved enormous accomplishments and victory during the period of the Third Seven-Year Plan. We, nonetheless, should wage an intensive struggle and hit a higher goal in the future.

Only when we march with the same spirit and mettle displayed in the period of the great Chollima upsurge can we overcome whatever difficulties, register new miracles and brilliant feats in the general onward march of socialism, and further display the superiority of the socialism of our own style by thoroughly implementing the revolutionary economic strategy of the party.

Vigorously advancing with the same spirit and mettle displayed in the period of the great Chollima upsurge is a firm guarantee for smashing all sorts of maneuvers perpetrated by the imperialists and reactionaries, and ardently defending the socialism of our own style.

Today, the imperialists and reactionaries are running amok as never before in their bid to threaten, blackmail, and put pressure politically and economically, and blockade economically our country, which is advancing under the banner of socialism. The basic requirement in smashing the challenges of the imperialists is uniting around the party and the leader [suryong] in one mind. In order to do so, we should give full play to the spirit of the great Chollima upsurge displayed in the postwar period.

Now, we are conducting the revolution under favorable conditions compared to that of the past: Under the leadership of the party, the singlehearted unity of the leader [suryong], the party, and the popular masses has been firmly cemented and the foundations of the independent economy has been consolidated immensely whereby we can live on our own efforts. If we accelerate the general onward march nowadays with the same spirit and mettle displayed during the postwar period, when we

had tighten our belt to stand on our own feet, any challenge of the imperialists will be powerless, and the socialism of our own style will be firmly defended.

What is most important in vigorously advancing in the same spirit displayed in the period of great Chollima upsurge is, above all, for all the party members and working people to cherish deep in their hearts the iron-willed faith to firmly believe in and highly uphold the party and the leader [suryong].

The great Chollima upsurge is a noble fruition borne by the might of invincible unity in which the party and the leader [suryong] only trust the popular masses and the popular masses only firmly trust and follow the party and the leader [suryong].

We should never pass by the revolutionary spirit with which the party and the people achieved victory, breaking the deadlock, in single-mind unity in the stern postwar period. We should have unwavering determination and will to carry out the party's intent and plans to the end, rallying around the party [yongdoja].

The party members and working people, with a firm confidence that we will not fail to achieve victory if we follow the tested leadership of the dear leader Comrade Kim Chong-il, should rise as one to implement the revolutionary economic strategy of the party.

The trait of absoluteness and unconditionality toward the party's policy were the primary struggle traits displayed during the era of the great Chollima upsurge. All entire party members and working people should regard the party policy as a demand for the noblest life and should carry out assigned economic tasks unconditionally and thoroughly.

In particular, the leading functionaries—the commanding staff of the revolution—should make a breakthrough by cooperating with each other when a difficult task arises. They should adhere to the party's policy and implement it to the end. By so doing, everyone should become genuine revolutionary fighters, who devote themselves to realizing the intent of the party and the leader in a bid to effect a new turn in the socialist economic construction.

To stage an indomitable struggle with the spirit and mettle displayed during the era of the great Chollima upsurge, it is important to bring into full play the revolutionary trait of self-reliance and fortitude. During the postwar era of the great Chollima upsurge, the Kangson working class broke through all difficulties with their own strength to implement the party's demand. They worked the miracle of producing 120,000 tons of steel bullets from a 60,000-capacity rolling mill.

Without putting the blame on bad condition, the working class in Nakwon, Kihyang, and Tokchon manufactured cranes, water pumps, trucks, and tractors on ruins with their own hands.

Even though days have passed and the environment has changed a lot since the postwar era, our people's fighting spirit and trait to carry out the revolution can never change. The spirit displayed during the era of the great Chollima upsurge has become an ideological and mental wellspring, which enables us to successfully carry out all difficult and grand tasks by bringing into full play the trait of self-reliance and fortitude.

If our functionaries and working people aggressively rise up to their tasks with the spirit of self-reliance and fortitude, they can momentarily increase agricultural products as demanded by the party's revolutionary economic strategy; can complete more rapidly the tasks of agricultural theses; can carry out the revolution in light industry; and can constantly develop external trade.

With the ideological obligation to carry out the revolution with their own strength, all party members and working people should constantly bring about production upsurge with existing equipment, facilities, and labor, while manufacturing what is nonexistent and seeking out more of what is in short supply. Along with this, they should demonstrate the trait of carrying out their assigned tasks without fail, come what it may, by bringing into full play the attitude befitting the master and initiative.

To work with the spirit and mettle of the era of the great Chollima upsurge, it is important that our functionaries and working people bring into full play the collectivist spirit of helping and leading each other. The great Chollima upsurge, which was brought about during the postwar days, was the manifestation of the collectivist strength of the popular masses firmly united based on the party's ideology and intent.

The success of today's all-out march depends ultimately on how to bring into full play the collectivist spirit, that is, the popular masses' strength single-heartedly united around the party and the leader [suryong].

As did during the era of the great Chollima upsurge, all functionaries and working people should constantly create the masses-oriented heroism and collective innovation, helping and leading each other in the struggle to carry out our party's revolutionary economic strategy.

With the single mind to brilliantly realize the dear leader comrade's strategic plan, party members and working people should be united single-heartedly, bring into full play the virtues of closely cooperating with each other, and highly kindle the flame for a joint innovation.

Now our people bring into full play the brilliant communist virtues of devoting themselves to society, groups, and revolutionary comrades. All functionaries and working people should positively learn from the noble ideology and spirit of the forerunners of communist virtues. They, thereby, should struggle by devoting all wisdom and energy to the party, the revolution, society, and groups like the forerunners of communist virtues.

For the party members and working people to live and fight with the spirit and mettle of the era of the great Chollima upsurge, the roles of the party's organizations should be enhanced further. The party's organizations at every level should aggressively conduct ideological indoctrination in various forms and methods for the party members and working people to learn from the spirit of the era of the great Chollima upsurge.

Along with this, the party's organizations should vigorously arouse and spur the functionaries and working people to brim over with the revolutionary enthusiasm like in the era of the great Chollima upsurge and to create a new miracle and innovation in carrying out the economic tasks in their units.

In particular, the party's organizations should always lead the leading functionaries to live and work in the way of the era of the great Chollima upsurge and also should correctly guide them to vigorously command the economic organizational work by bringing into full play the revolutionary spirit and combat capacity.

By learning from the noble example that the great leader [suryong] went into the Kangson working class and aroused them during the postwar days, all cadres should always go into the low echelon and should arouse the working class and the popular masses to make an innovation.

All should firmly unite around the party and the leader [suryong] and vigorously advance with the spirit of speed linked to Chollima for the creation of a new speed of the nineties. Let us all bring about a new great upsurge in socialist construction by thoroughly carrying out the party's revolutionary economic strategy.

Radio on Slogans Praising Kim Chong-suk

*SK2812043593 Pyongyang Korean Central
Broadcasting Network in Korean 2300 GMT 22 Dec 93*

[Text] Among the revolutionary slogan documents of the era of anti-Japanese armed struggle, which have been found throughout the country ranging from the northern boundary areas to (Pungye Yonson) districts, there are a large number of the immortal writings highly praising Comrade Kim Chong-suk, indomitable communist revolutionary fighter and anti-Japanese heroine.

Among the slogan documents found in the forests throughout the country—North Hamgyong Province, Yanggang Province, Chagang Province, North Pyongan Province, South Pyongan Province, and South Hwanghae Province—works describing the brilliant life and immortal revolutionary achievements of the indomitable communist revolutionary fighter Comrade Kim Chong-suk who fulfilled all her duties to the great leader [suryong], numbered approximately 300 pieces.

Slogan documents such as, "Let us 20 million fellow countrymen rise up to the anti-Japanese struggle following General Kim Il-song and Kim Chong-suk," "Let

us together take the road of anti-Japanese struggle, following the anti-Japanese heroine Kim Chong-suk who devotes herself to upholding General Kim," [words indistinct], "Mt. Paektu's heroine rides a swift born horse to annihilate Japanese soldiers"—steadily give a noble revolutionary spirit to our people. This actually proves that the infinite respect and trust in the indomitable revolutionary fighter Comrade Kim Chong-suk firmly took root deep in the heart of our people during the anti-Japanese struggle.

The great leader Comrade Kim Il-song has taught: Comrade Kim Chong-suk was an enthusiastic revolutionary who devoted herself to fighting for the national liberation and the victory of our revolution.

The indomitable revolutionary fighter Comrade Kim Chong-suk weathered Mt. Paektu's grim storms and bloody battle during the arduous anti-Japanese struggle, defended the headquarters of the Korean revolution, and devoted everything to the national liberation with firm faith and indomitable will in the revolutionary victory in the face of any difficult circumstances. Regarding it as revolutionary fighters' duty and national desire to uphold the great leader [suryong], anti-Japanese heroine Comrade Kim Chong-suk showed her loyalty to the great leader. For this reason, anti-Japanese revolutionary fighters highly praised anti-Japanese heroine Comrade Kim Chong-suk as a Korean heroine and Mt. Paektu's female general. To hand down her achievement for all ages, anti-Japanese revolutionary fighters passionately inscribed her many revolutionary slogans in wood.

The slogan documents—"Upholding Kim Il-song's command, Kim Chong-suk, anti-Japanese heroine of Mt. Paektu, frightens Japanese soldiers," "Let us all help the Revolutionary Army," "Mt. Paektu's heroine appears upholding distinguished anti-Japanese General Kim Il-song," "Heroine appears at Mt. Paektu, inheriting General Kim's magic method of contracting space," "Independence of Korea comes near," "38," "Anti-Japanese heroine goes to war upholding General Kim," "Ruin of Japan draws near," and "Help the anti-Japanese army"—were found in Angye-ri, Pujon county, South Hamgyong Province; Songchon-ri, Songwon county, Chagang Province; Puhung-ri, Wiwon county; and Yaksu-ri, Changsong county, North Pyongan Province. These slogans reflected the warmhearted feelings of anti-Japanese revolutionary fighters who infinitely praised and followed the indomitable revolutionary fighter Comrade Kim Chong-suk, who exhibited loyalty to the great leader [suryong] with the firm view of the leader during the days of anti-Japanese war.

"Korea should take pride in and uphold Mt. Paektu's heroine for all ages," "Long live Mt. Paektu's anti-Japanese heroine, heroine of Korean independence," "Mt. Paektu's heroine annihilates Japanese soldiers by using the magic method of contracting space," and "Mt. Paektu heroine's gunshots for Korean independence echo for three thousand-ri," and many other slogan documents associated with our people's deep respect and

esteem toward Comrade Kim Chong-suk, who crossed the Amnok river according to the great leader's outstanding military strategies, dealt a serious blow to the Japanese imperialists, and thus gave the trampled people a ray of hope of the national liberation.

The slogan documents—"Let us hand down the feats of anti-Japanese heroine upholding Mt. Paektu's bright star for all ages," "Mt. Paektu's heroine Kim Chong-suk comes with Mt. Paektu's bright star," and "Long live anti-Japanese heroine Kim Chong-suk who bore the filial son of Korea"—reflected the warmhearted feelings of our people who highly praise the immortal achievements of Comrade Kim Chong-suk who brought up Mt. Paektu's bright star which will brilliantly inherit the chuche-oriented revolutionary cause and ensure Korea's brilliant future. This immortal achievement will be handed down for all ages.

Indeed, the revolutionary slogan documents, which tug at our people's heartstrings, will be brilliant in history not only as permanent revolutionary asset that hand down the immortal achievements of indomitable communist revolutionary fighter Comrade Chong-suk endlessly loyal to the great leader, but also as immortal writings which vigorously promote the struggle for completion of the chuche revolutionary cause.

South Korea

DPRK, U.S. May Hold Working Contact 'Soon'

SK2812130493 Seoul KBS-1 Television Network in Korean 1201 GMT 28 Dec 93

[Text] It has been learned that the United States and North Korea will soon hold a working-level contact in New York and will announce the contents of the U.S.-North Korean negotiations, including the inspection of North Korea's nuclear facilities and the date of the resumption of the U.S.-North Korean high-level talks. Washington-based correspondent Mun Chae-chol reports:

[Begin Mun recording] Sources in Washington said that the International Atomic Energy Agency [IAEA] has begun preparations for nuclear inspections of North Korea's nuclear facilities and that a working-level contact for a final confirmation of the U.S.-North Korean nuclear negotiations may be held in New York tomorrow. In connection with this, THE WALL STREET JOURNAL reported today: The United States and North Korea have nearly agreed that North Korea should accept overall [chonmyon] nuclear inspection and that the United States should resume high-level talks in Geneva no later than next February.

The sources in Washington predicted that if North Korea confirms the principle for overall inspections of nuclear facilities, North Korea and the IAEA will full-fledgedly discuss the details of the inspection method and date beginning early next year. The sources said that

the United States proposed that North Korea hold North-South working-level talks for the denuclearization of the Korean peninsula at the same time the IAEA's inspection team visits North Korea. The sources said that if North Korea accepts the U.S. proposal, the discontinuation of the ROK-U.S. Team Spirit exercise will be announced and the date for the third round of the U.S.-North Korean high-level talks will follow. [end recording]

U.S. Proposal on 3d Meeting With DPRK Noted

SK2812095893 Seoul YONHAP in English 0942 GMT 28 Dec 93

[Text] Tokyo, Dec. 28 (YONHAP)—The United States has recently proposed to North Korea that an inter-Korean working-level meeting be held over the nuclear issue and the time of third-round U.S.-North Korea high-level talks be announced on the day when an IAEA (International Atomic Energy Agency) inspection team enters North Korea, the Jiji news agency of Japan reported from Washington on Tuesday.

Quoting a diplomatic source in Washington, Jiji said the suggestion was made during the U.S.-North Korea working-level meeting held in New York on last Dec. 22.

The report said that if North Korea accepts the offer, the United States will announce a plan to suspend the joint Korea-U.S. Team Spirit military exercise along with the time of the third-round U.S.-North Korea high-level meeting.

The United States expects that a North Korean reply to the proposal could come within the week at the earliest, it said.

If things go on smoothly upon Pyongyang's acceptance of the U.S. proposal, IAEA could have working-level talks with North Korea in early January: a South-North working-level meeting could be held simultaneously with an IAEA inspection team's visit to Pyongyang in mid-January; and the third-round Washington-Pyongyang high-level talks could take place either late January or early February, Jiji said.

President Sends Christmas Message to U.S. Forces

SK2412053693 Seoul YONHAP in English 0516 GMT 24 Dec 93

[Text] Seoul, Dec. 24 (YONHAP)—President Kim Yong-sam, in a Christmas Eve message, wished the officers and the enlisted men and women of the U.S. Forces in Korea "a joyful holiday and a New Year brimming with hope and happiness" on Friday. He said that the Korean people were proud to have the world's elite fighting men and women with them.

Noting that North Korea's nuclear arms development program poses a major threat to peace, not only on the Korean peninsula but also in Northeast Asia and the

world at large, he said that he was confident a spring of peace would soon thaw the frozen land of North Korea as long as South Korea and the United States continued to stand together, firm and vigilant, against any aggression.

Butrus-Ghali Remarks in DPRK, China on UN Role

SK2712023193 Seoul TONG-A ILBO in Korean 27 Dec 93 p 1

[By correspondent Kim Chung-kun from Beijing]

[Text] On 26 December, China's XINHUA News Agency reported that UN Secretary General Butrus-Ghali, who completed his North Korean trip after visiting South Korea, said that "as the result of successive meetings with leaders of both North and South of Korea, he confirmed that they all expressed worries over the nuclear crisis being expanded on the Korean peninsula and hoped the crisis will be resolved in a peaceful manner."

Secretary General Butrus-Ghali also revealed that "the United Nations, if necessary, will replace the Armistice Agreement on the Korean peninsula with a peace agreement, and is ready to be an arbitrator of the two sides for security, reunification, and development of the Korean peninsula."

In a news conference held at Sunan Airport, Pyongyang before leaving for China, Secretary General Butrus-Ghali added that "he hopes the North Korean nuclear issue will be successfully resolved during the forthcoming talks between the United States and North Korea."

Prior to this, on 25 December, North Korean President Kim Il-song said in a meeting with Secretary General Butrus-Ghali in Pyongyang that progress is being made in negotiations between North Korea and the United States regarding the North Korean nuclear issue.

According to comments by (Joe Silz) a UN spokesman accompanying Secretary General Butrus-Ghali, to the UN Secretariat, Kim Il-song held *tete-a-tete* talks with Secretary General Butrus-Ghali in the Presidential Palace in Pyongyang for about 40 minutes and said that the U.S.-North Korean negotiations currently under way showed positive signs. Therefore, there is no need at present for the United Nations to directly interfere in the nuclear issue.

Such remarks by Kim Il-song were made at a time when the nuclear negotiations were progressing after the North Korean side, in a working-level contact held between the United States and North Korea in New York last year, expressed its willingness to accept ordinary inspection [tongsang sachal] of all reported nuclear facilities, including the two facilities in Yongbyon.

Meanwhile, China's RENMIN RIBAO reported that in a 25 December meeting with Kim Yong-nam, North Korean foreign minister, Secretary General Butrus-Ghali said that replacing the Armistice Agreement, which was concluded in 1953, after permanent peace is realized on the Korean peninsula is an important matter to the international community. He added that in the event that permanent peace is realized on the Korean peninsula, the UN Forces Command stationed on the Korean peninsula will be dissolved.

This paper also reported that "Secretary General Butrus-Ghali sincerely wishes that North and South of Korea will have one single seat in the United Nations."

Butrus-Ghali's Envoy on Talks With DPRK

SK2812100893 Seoul YONHAP in English 0947 GMT 28 Dec 93

[Text] Seoul, Dec. 28 (YONHAP)—North Korean leaders see dialogue with the United States as the only solution to the nuclear problem, U.N. Secretary-General Butrus Butrus-Ghali told Seoul through his envoy Tuesday.

North Korea ultimately wants diplomatic normalization with the United States and wants to continue the dialogue process to that end, he said.

Butrus-Ghali sent Mian Qadrud-din, director of U.N. Information Center in Japan, as a special envoy to brief South Korea on the final results of his tour that took him to both sides of the divided Korea and to China.

The secretary-general met with North Korea's supreme leader Kim Il-song, Foreign Minister Kim Yong-nam and other high-level officials during what he called a "goodwill" visit.

The envoy explained to Foreign Minister Han Sung-chu that Butrus-Ghali delivered South Korea's position on nuclear and national reunification issues—that the nuclear problem should be solved through dialogue, South Korea will not try to absorb North Korea, and that it does not want instability in the North.

Kim Il-song and other officials agreed in general to these positions, Butrus-Ghali was quoted as saying.

The U.N. chief called on Pyongyang to engage in talks with Seoul and with the International Atomic Energy Agency (IAEA) in resolving the nuclear issue, but Kim insisted only on talking with the United States, the envoy said.

Butrus-Ghali came away with an impression that both Koreas want a peaceful solution but also that they need confidence-building to heal decades of division, according to the envoy.

Han: DPRK Asks UN For Improved Relations

*SK2912101593 Seoul YONHAP in English 0957 GMT
29 Dec 93*

[Text] Seoul, Dec. 29 (YONHAP)—North Korea has recently demanded that the United Nations improve its relations with Pyongyang by dropping its label, a "belligerent nation," made for its part in the 1950-1953 Korean war, Foreign Minister Han Sung-chu said Wednesday.

Han said North Korea made the demand to U.N. Secretary-General Butrus Butrus-Ghali during his visit to Pyongyang late last week.

Pyongyang insisted that in order to shed this label, the Korean Armistice Agreement has to be replaced with a peace pact and the U.N. Command has to be dissolved, the foreign minister said.

Han reported recent progress on North Korea's nuclear situation at the year-end government-ruling party session with Democratic Liberal Party Chairman Kim Chong-pil.

The secretary-general delivered the international concern over Pyongyang's nuclear crisis and the importance of its resolution, Han reported.

North Korea's supreme leader Kim Il-song and other officials were clear they did not want U.N. mediation or intervention by a third party and sought direct dialogue with the United States only, he said.

On Kim's demand to replace the Armistice Agreement and disband the U.N. Command, Butrus-Ghali said such events will be possible only after peace settles on the Korean peninsula.

The foreign minister reiterated Seoul-Washington commitment for a "thorough and broad" solution to the nuclear problem that would include discussions on inter-Korean economic cooperation and relations improvement.

But such discussions will have to be preceded by North Korea's nuclear inspections by the International Atomic Energy Agency (IAEA) and inter-Korean talks for denuclearization of the peninsula, said Han.

It is too early to be optimistic about the success of North Korea-IAEA talks on the inspections, without which Pyongyang-Washington high-level talks cannot open, he said.

DPRK Reportedly Rebuffs UN Mediation Offer

*SK2912071893 Seoul YONHAP in English 0702 GMT
29 Dec 93*

[Text] Moscow, Dec. 29 (YONHAP)—U.N. Secretary-General Butrus Butrus-Ghali attempted to mediate a solution to the North Korean nuclear problem while in Pyongyang over Christmas, but was given a rebuff by the

North Koreans, Russia's IZVESTIYA newspaper reported Tuesday [28 December].

President Kim Il-song told Butrus-Ghali that North Korea did not need the help of the United Nations at all for the present, suggesting that he wanted to solve the issue through direct talks with Washington and not through the United Nations, the paper said.

It said that the U.N. chief discussed the North Korean nuclear problem with Chinese Premier Li Peng in Beijing after his visit to Pyongyang only to confirm that Beijing is opposed to any pressure or economic sanctions on North Korea.

Given the Chinese position, the paper said, the odds are that China will veto a U.N. Security Council resolution on sanctions against North Korea.

In Beijing on Monday, Butrus-Ghali urged the world to be patient in trying to solve the crisis over North Korea's alleged nuclear weapons program, saying that there was good will on the part of both South and North Korea to try to resolve the nuclear issue and begin to address the question of reunification.

Kim Il-song Said Not To Oppose Envoy Exchange

*SK2912125693 Seoul KBS-1 Television Network in
Korean 1222 GMT 29 Dec 93*

[Text] A government official revealed on 29 December that during a meeting with UN Secretary General Butrus-Ghali, while on a visit in Pyongyang on 25 December, North Korean President Kim Il-song told the UN secretary general that he does not oppose the exchange of North-South special envoys.

Secretary General Butrus-Ghali's special envoy Mian Qadrud-din, director of the UN Information Center, conveyed to the Foreign Ministry that while talking about the nuclear issue and South-North Korean relations, President Kim Il-song said that the reunification issue must be urgently discussed through the exchange of special envoys of the South and North.

DPRK Reportedly Accepts Full Scope Inspection

*SK2512025393 Seoul YONHAP in English 0236 GMT
25 Dec 93*

[Text] Tokyo, Dec. 25 (YONHAP)—North Korea agreed to accept all International Atomic Energy Agency [IAEA] inspections of its seven nuclear installations in a working-level consultation with the United States held Wednesday in New York, a South Korean Government source was quoted by the Japanese press as saying.

A Seoul-dated dispatch carried in the YOMIURI SHIMBUN newspaper Saturday also quoted the source as saying that North Korea demanded the United States except the resumption of inter-Korean dialogue from conditions it sets forth for the holding of a third-round high-level talks between the two countries.

The MAINICHI SHIMBUN, meanwhile, quoted, in its dispatch from Washington, a U.S. Government official as saying that the possibility of a breakthrough in talks with North Korea within this year is rising.

The U.S. official reportedly said that North Korea, in the Wednesday negotiation, readily accepted a U.S. demand that it seek an agreement with the IAEA before pushing for a package settlement of the nuclear issue.

North Korea also asked the United States to play a mediator's role in its talks with the IAEA and the request was accepted by Washington, the official was quoted as saying.

DPRK Development of Mobile Launchers Viewed
SK2412020193 Seoul YONHAP in English 0137 GMT
24 Dec 93

[Text] Tokyo, Dec. 24 (YONHAP)—North Korea has developed mobile launchers for its Nodong-1 missiles, making it extremely difficult to intercept the missiles or to locate launch facilities and knock them out of commission, the YOMIURI SHIMBUN newspaper reported Friday.

"North Korea will put the Nodong 1 missile into operational deployment next year," the YOMIURI quoted international military sources as saying.

"When North Korea succeeded in test firing the Nodong 1 in late March, it was launched from a fixed platform, so we thought that changing the location was very difficult," a Japanese Defense Agency spokesman was quoted as saying. "But later the United States and Japan learned that a mobile launch was possible by analyzing intelligence.

"The Nodong 1 is so large that launching it from a ship proved impossible, however," the senior official reportedly said.

"Since it does not use a fixed launch platform, it is hard to discover the launch location. Moreover North Korea has transferred most of its military facilities underground, so an attack by U.S. forces on the missile facilities is difficult."

The Nodong 1, a modified Scud-C ballistic missile having a 1,000-kilometer range, is capable of reaching most areas of Japan except parts of Hokkaido.

Ministers To Discuss North-Related Issues

SK2812075193 Seoul YONHAP in English 0737 GMT
28 Dec 93

[Text] Seoul, Dec. 28 (YONHAP)—The first strategy meeting on unification affairs since last week's cabinet reshuffle has been scheduled for Thursday [30 December].

Officials will discuss the government position on recent U.S.-North Korea contacts and U.S.-China consultations for settlement of the North Korean nuclear problem, as well as the controversial alteration of a presidential order to the delegation to the South-North high-level talks in Pyongyang last year, according to officials Tuesday.

Unification-related ministers will review the strategy and study ways for resumption of inter-Korean talks.

Prime Minister Yi Hoe-chang will preside over the meeting.

Deputy Prime Minister and National Unification Minister Yi Yong-tok, Foreign Minister Han Sung-chu, Defense Minister Yi Pyong-tae and National Security Planning Director Kim Tok will attend.

Unification Minister on Resuming N-S Talks

SK2712040593 Seoul YONHAP in English 0249 GMT
27 Dec 93

[Text] Seoul, Dec. 27 (YONHAP)—New National Unification Board Minister Yi Yong-tok said Monday [27 December] that he would actively study means of resuming inter-Korean negotiations to try to resolve the North Korean nuclear problem.

In doing so, the government will strengthen cooperation with the International Atomic Energy Agency (IAEA) and the United States, Yi, concurrently a deputy prime minister, said, reporting on diplomacy and national security in a state affairs assessment meeting presided over by President Kim Yong-sam.

Preparing for resumption of inter-Korean dialogue, he said he will consider setting up a meeting place for separated families in Panmunjom and allowing phased inter-Korean economic cooperation in accordance with improvements in the nuclear issue.

Unification, diplomacy, and security related ministries will do their best to create free, democratic, just, and unified country within the century, he promised.

Economic Cooperation With North May Resume

SK2512022093 Seoul YONHAP in English 0103 GMT
25 Dec 93

[Text] Seoul, Dec. 25 (YONHAP)—The government is studying plans to reopen inter-Korean economic cooperation including visits by South Korean businessmen to the North if North Korea allows routine inspection by the International Atomic Energy Agency (IAEA) of seven nuclear facilities in Yongbyon and exchanges of special envoys between Seoul and Pyongyang.

The government plans, if adopted, would represent a step forward from its original stance that would allow South Korean businessmen to visit the North and produce their goods there only when Pyongyang accepts special as well as routine inspections of the International

Atomic Energy Agency on all seven facilities including the two unreported plants, officials said Saturday.

As a result, inter-Korean economic cooperation could resume early next year when the United States and North Korea hold a third round of their high-level talks and the North Korean nuclear issue is resolved, they said.

"If North Korea accepts the IAEA's routine inspection, it could be regarded as an indication of North Korean efforts to resolve the nuclear issue," one official said.

"The (Seoul) government would then consider allowing South Korean businessmen to visit the North and initial-stage cooperation plans to proceed."

But the problems related to the inter-Korean economic cooperation have to be discussed through exchanges of special envoys between South and North Korea, the official said.

Therefore, even if North Korea accepts IAEA inspection, South Korea could not reopen economic cooperation with the North, unless Pyongyang responds positively to a proposal for exchanges of special envoys, he added.

Businessmen May Be Allowed To Visit North

SK2712035393 Seoul KYONGHYANG SINMUN in Korean 27 Dec 93 p 1

[Text] It was learned that the government is examining the possibility of once again allowing ROK businessmen to visit North Korea, which was disallowed, if North Korea receives ordinary [tongsang] inspection of seven nuclear sites in the Yongbyon area by the International Atomic Energy Agency [IAEA] and agrees to the exchange of special envoys of the South and North.

A government official said on 26 December: "If North Korea accepts the ordinary inspection and an agreement is reached on the exchange of special envoys of the South and North, the issue of improving relations between North Korea and the United States will be discussed through the North Korean-U.S. three-stage high-level talks. It will be necessary to discuss the issue of allowing ROK businessmen visit North Korea at the North Korean-U.S. high-level talks, which will be an elementary stage of South-North economic cooperation."

Previously, the government had insisted that it will allow its businessmen to visit North Korea only when North Korea agreed to the IAEA's inspection of two of its nuclear sites in Yongbyon, which have not been disclosed. However, the government has somewhat eased its policy on this matter. Therefore, if the North Korean-U.S. three-stage high-level talks are held because there is progress in the issue of nuclear inspection early next year, there will be a high possibility for the resumption of South-North economic cooperation.

Less Inter-Korean Economic Cooperation Seen

SK2912013493 Seoul MAEIL KYONGJE SINMUN in Korean 29 Dec 93 p 2

[Text] North Korea's future opening policy is expected to shift its focus to the United States and Japan and its economic cooperation with South Korea is expected to shrink further. On 28 December, the Korea Trade Promotion Corporation [KOTRA] revealed this forecast in a report entitled "Forecast on Policy Changes of North Korea's External Opening Policy" based on an analysis of the result of the Sixth Session of the Ninth Supreme People's Assembly recently held in North Korea.

It was analyzed in the report that North Korean officials in charge of South Korean affairs, including Kim Tal-hyon, were recently dismissed and that the discussion on inter-Korean economic cooperation will be further stagnated as no one is definitely in charge of inter-Korean economic cooperation.

KOTRA forecasts that North Korea's future opening policy will be focused on improving relations with the United States and Japan and that it will seek economic benefits, including foreign investment and increased trade, as a result of the improved relations.

It is analyzed that North Korea's change of priority to the United States and Japan shows that the expectation for inter-Korean economic cooperation is declining.

Japan's Efforts To Normalize DPRK Ties Noted

SK2812022493 Seoul YONHAP in English 0212 GMT 28 Dec 93

[Text] Tokyo, Dec. 28 (YONHAP)—Foreign Minister Tsutomu Hata has asked a Japanese Social Democratic Party delegation to North Korea to sound out Pyongyang on the possibility of normalizing relations between Japan and North Korea, the SANKEI SHIMBUN reported Tuesday.

The delegation, led by Hajime Fukada, a member of the upper house of the Diet (parliament), left Tokyo Tuesday to visit North Korea at the invitation of the Workers (Communist) Party.

According to SANKEI, Hata met with Fukada and asked him to convey to high-level North Korean officials that Japan is willing to reopen dialogue, if Fukada has a chance to talk to them in Pyongyang.

Hata told Fukada that Japan's channel for dialogue with North Korea is always open and that Prime Minister Morihiro Hosokawa's apology for Japan's aggression during the World War II was made with North Korea as well in mind.

Hata also stressed that Japan is prepared to offer economic aid to North Korea once the North Korean nuclear issue is resolved.

The Socialist Party delegation is scheduled to stay in North Korea until Jan. 1 and to hold talks with North Korean Workers Party and government officials.

Informed sources said the delegation could have a chance to meet with North Korean supreme leader Kim Il-sung.

SANKEI said Japan and North Korea may resume their dialogue as soon as the beginning of next year since Hata shows an active interest in normalizing Japan's relations with North Korea.

Negotiations for normalization of relations between Tokyo and Pyongyang have been suspended since November 1992, when North Korea broke off the talks after Japan wanted to find out the identity of "Yi Un-hye," a woman who was alleged to have been a Japanese teacher of Kim Hyon-hui, the North Korean bomber of a Korean Air (KAL) plane in 1987.

Team To Visit Sakhalin To Arrange Repatriation

SK2612055093 Seoul YONHAP in English 0532 GMT 26 Dec 93

[Text] Seoul, Dec. 26 (YONHAP)—South Korea and Japan will field a joint study team to Sakhalin next month to arrange homeland repatriation of Koreans abandoned there after being forced into Japanese labor camps during World War II, Foreign Ministry officials said Sunday.

The team comprised of Foreign and Health Ministries and Red Cross Society officials will be in Sakhalin for a week from Jan. 9 to find out how many of them want to return to Seoul and how the two governments can financially assist those who want to stay.

The joint survey is the first concrete step by the two countries on the issue of the past left unattended for more than four decades. South Korean President Kim Yong-sam and Japanese Prime Minister Morihiro Hosokawa agreed at their summit last November that they should take preventive measures to stop the issue from developing into a diplomatic problem.

The combined team will have to determine exactly how many Koreans live on the Russian island.

Japan mobilized approximately 150,000 Koreans for forced labor on Sakhalin in the 1940s, when Korea was under Japanese colonial rule. About 42,000 from the first generation and their descendants still live on the island, and an estimated 13,000 of them want to go to Korea.

Seoul's position is that Japan is legally responsible for their repatriation and thus must bear the cost of their return, resettlement and living expenses.

"The whole negotiation has to start on this basis—that Japan recognizes this legal responsibility," a Foreign Ministry official said.

Japan Deports 571 Korean Illegal Aliens

SK2712040093 Seoul YONHAP in English 0253 GMT 27 Dec 93

[Text] Tokyo, Dec. 27 (YONHAP)—The Japanese Justice Ministry deported 2,697 illegal aliens, including 571 Koreans, a Ministry spokesman said on Sunday. Of them, Thais were the largest group with 632, followed by Koreans and Malaysians with 453. Men outnumbered women by 1,698 to 999.

The roundup was carried out in Tokyo, Osaka and Nagoya and the foreigners were found to hold counterfeit passports or visas and some of them were working as prostitutes.

Of the deported foreigners, more than 90 percent was illegal workers at factory or construction sites. Malaysians top the list of the deported male workers with 339, followed by Koreans with 278 and Iranians with 265. Of deported female foreigners, Thais were the largest group, followed by Koreans and Filipinas.

Japanese Reporter Sentenced for 'Espionage'

SK2312082393 Seoul THE KOREA HERALD in English 23 Dec 93 p 3

[Text] Masato Shinohara, a Japanese correspondent accused of violating South Korea's military security law, was sentenced to two years in prison by the Seoul District Criminal Court yesterday [22 December]. The court ruled that Shinohara's activities in Korea went beyond normal journalistic limits because he passed classified military secrets to a military attache at the Japanese Embassy in Seoul.

The Seoul bureau chief of Japan's Fuji Television Network Inc. obtained top-secret documents on South Korea's radar and military unit deployment from a former South Korean naval officer, Ko Yong-chol, who was sentenced to a seven-year prison term.

"Considering that Shinohara was systematically collecting the prohibited material by using his foreign correspondent's position, he did engage in espionage activities," the court said.

The prosecution had sought a five-year sentence, charging the leak of the information jeopardized the country's security.

Shinohara claimed that he culled the information as part of his reporting activities.

Japanese Trading Companies Banned From Importing

SK2712012693 Seoul THE KOREA HERALD in English 27 Dec 93 p 8

[Text] Large Japanese trading firms operating in Korea will continue to be banned from engaging in the importing business, the Ministry of Trade, Industry and

Energy said yesterday [26 December]. The ministry reached the decision as the new Uruguay Round agreement on services allows each government to control the international trading business in accordance with its market conditions.

In the agreement, international trading is categorized as a wholesale service business for which each government can carry out its concession schedule based on an economic needs test (ENT). The Japanese trading firms, when allowed to take up importing, are feared to flood the domestic markets with their own products. From 1997, however, the ministry intends to liberalize foreign investments in the trading business which may later be completely liberalized, depending on economic conditions, according to an official.

In July this year, the ministry scrapped the licensing system for the trading business and adopted a registration system. It also softened the requirements for registration, lowering the minimum capital amount required from 50 million won to 10 million won. At the same time it allowed unregistered trading firms to export goods worth \$20,000 or less.

As a result of these changes, the number of firms engaged in international trading increased 22.8 percent to 39,130 as of the end of November this year, according to the ministry. Of these, 924 firms or 2.4 percent are foreign-invested firms or local branches of foreign firms. The number of foreign trading firms operating in Korea tends to increase by 20 to 30 percent annually, the ministry said.

Japan To Lower Tariffs on Korean Farm Products

SK2312080693 Seoul THE KOREA HERALD in English 23 Dec 93 p 8

[Text] Japan has recently agreed to lower tariffs on 19 agricultural products from Korea by 14.7 percent to 74.6 percent, officials here said yesterday [22 December]. The rate cut, to be implemented by 2000, is expected to boost exports of farm goods to Japan, Korea's largest overseas market.

The Ministry of Agriculture, Forestry and Fisheries said the tariff reduction will affect such "promising" products as peeled and canned chestnuts, kimchi, barley drinks, frozen strawberries and canned peaches.

Import duties on those products will be cut by 40 percent by 2000 in accordance with an agreement made during recent bilateral negotiations, Ministry officials said. Other products that will benefit from the Japanese tariff cut include dried oak mushrooms, apples and noodles.

Korea exported to Japan nearly \$100 million in chestnuts in 1992 and about \$19 million in kimchi, according to the Ministry.

U.S.-EC Tariff Pact To Boost Exports of Computers

SK2712012393 Seoul THE KOREA TIMES in English 27 Dec 93 p 8

[Text] Korean exports of computers and computer peripherals, memory chips, and semiconductor equipment could greatly increase as the United States and European Community have agreed to scrap tariffs for these products five years after the Uruguay Round tariff accord takes effect and have asked Korea to join their move, Trade, Industry and Energy Ministry officials said yesterday [26 December].

Korean industry can have high hopes for exports of computer input and output devices to the EC once it scraps its 11-percent tariff on computer monitors.

Bilaterally, Korea and the United States have agreed to non-tariffication of five items of semiconductor equipment that are difficult to home-grow, such as centrifuges and steppers, five years after the world accord takes effect and cut tariffs to 8 percent on items possible for localization from the current 9 percent next year to reach zero by 1999.

Korea is positively studying the U.S.-EC agreement as it can boost shipment of computer monitors, a mainstay of computer input and output devices, to the EC, ministry officials said.

On three other input and output devices, Korea and the United States agreed to scrap tariffs 10 years after effectuation of the agreement.

The United States cuts tariffs on car stereos and recorders, and microwave ovens, while Korea maintains its current rates.

Country Expected To Beat Rivals on Trade Balance

SK2512031893 Seoul YONHAP in English 0136 GMT 25 Dec 93

[Text] Seoul, Dec. 25 (YONHAP)—Helped by stable growth of exports, South Korea is expected to make most improvement in its trade balance among major Asian newly industrialized economies, the Korea Foreign Trade Association (KFTA) said Friday.

Korea's exports are projected to grow 8.7 percent to 90 billion U.S. dollars next year, while imports rise a modest 6.7 percent to 89.5 billion dollars to record a surplus of 500 million dollars.

Next year's trade balance would then be improved 1.6 billion dollars, considering this year's estimated trade deficit of 1.1 billion dollars.

China anticipates exports to grow 15.2 percent to 106 billion dollars next year and imports to rise 15.8 percent to 117 billion dollars to record a deficit of 11 billion dollars, 2 billion dollars deeper in the red from this year.

Hong Kong expects exports and imports up 17.4 percent and 16.8 percent, respectively, so that its trade deficit worsens 2.9 billion dollars.

Taiwan, who expects a surplus of 8.2 dollars this year, forecasts imports and exports to grow 9 percent and 8.4 percent, to increase its surplus 100 million dollars more.

Foreign Minister Describes Diplomatic Goals

*SK2812023993 Seoul YONHAP in English 0217 GMT
28 Dec 93*

[Text] Seoul, Dec. 28 (YONHAP)—South Korea's diplomatic focus next year will be diversification and regional cooperation as it looks beyond political-security issues into trade, the environment and competition, Foreign Minister Han Sung-chu said Tuesday.

Han, looking back at his first 10 months in office, called 1993 the year of globalism diplomacy—participation in United Nations peacekeeping operations, in the world conference on human rights, and in the Uruguay Round trade talks.

Next year's aim is to achieve multi-dimensionalism and regional cooperation, he said, recalling two of the five principles that he announced after taking office in February.

"We will give the same attention to political and security issues but get involved in other areas at the same time," Han said in a breakfast seminar with the Korean Broadcasters Association.

This would mean active participation in the World Trade Organization (WTO) and Green Round negotiations, policy planning on the environment, trade, development and competition, he said.

The Asia-Pacific Economic Cooperation (APEC) summit in Seattle was one of the highlights of this year, and the test for 1994 is to fill in the substances, Han said.

The summit will open again next year in Indonesia and may well be repeated at the Tokyo conference in 1995.

Seoul became the first-term chairman of the Committee on Trade and Investment (CTI) and thus has a chance to gain and contribute to APEC development.

The Asean Regional Forum (ARF) will become another area of regional concentration when it opens its first official meeting next year among 18 nations.

There is progress in establishing a similar forum exclusively for Northeast Asia, Han said, starting with two or three nations and gradually expanding membership.

Government's Diplomatic Efforts in Asia Viewed *SK2812020193 Seoul YONHAP in English 0104 GMT 28 Dec 93*

[Article by Yi Tong-min: "Asia-Pacific Diplomacy: Building the Other Bridge to Asia"]

[Text] Seoul, Dec. 28 (YONHAP)—When Asian-Pacific nations were sharing the spotlight at the Asia-Pacific Economic Cooperation (APEC) forum summit in Seattle in November, South Korea was a high-profile participant. But Korea's stature disguised the country's neglected diplomacy with the Asian part of the group—a relation that lags behind in both economic and political bonds.

On returning from the APEC summit, Yu Pyong-u, director-general of the Asian Affairs Bureau at the Foreign Ministry, said one of his ambitions for 1994 was to formulate a "new Asian diplomacy." What he perceived at Seattle struck a chord in him that he felt but only remotely—the need for an energetic Asian strategy.

South Korea says it wants to be the bridge linking Asia with the Pacific. While good relations with the United States may be a given, Yu and other Ministry officials say, Korea doesn't yet have the other half of the bridge to Asia. The problem may be geopolitics. Overshadowed by regional giants Japan, China and Russia, Korea can only be a "middle power" at best, as some call it. The economic links Korea could have forged, if it had tried, but it neglected to. Putting aside the regional giants leaves the Association of Southeast Asian Nations (ASEAN), the largest regional grouping in Asia dating back to 1967. Numerical comparison with Japan on economic activities with ASEAN show what Korea has missed.

Japan has a long history of large investments in ASEAN members—Malaysia, Indonesia, Thailand, the Philippines, Singapore and Brunei. Japan is the biggest investor in this region with 30 percent of all foreign investment, popular most among small- and medium-sized companies.

ASEAN is the fourth-largest trading partner to both Korea and Japan. But Seoul's exports to the region account for about 4 percent of ASEAN's total imports while Tokyo's accounted for more than 24 percent last year.

Korea's imports from ASEAN members occupy roughly 4 percent of its imports from the world. Japan buys more than 15 percent of its imports from ASEAN.

ASEAN's ties with Japan will steadily increase still, analysts predict, because its imports from the economic giant range from raw and secondary materials to capital goods.

Japanese-invested manufacturers in ASEAN are responsible for over 25 percent of the region's exports to the

world and as high as one-third of the exports in countries like Thailand and Indonesia.

"Investments. That's what the Asian countries want in common," says Mun Tae-yong, director of Southeast Asia Division.

Their call for investments was big enough to get Foreign Minister Han Sung-chu to personally host a dinner for ambassadors from ASEAN members and Korean corporate executives on Jan. 18 next year, a kind of investment promotion event, Mun explains.

The urgency of better economic links with ASEAN becomes clearer considering that Vietnam, Laos, Cambodia and Myanmar are getting ready to join the association after basework in a transition to market economies.

Korea still lacks the strategic, long-term planning power in dealing with these Asian counterparts, more intent on making one big strike instead of laying a lasting inroad, according to Director-General Yu.

"If we missed the economic establishment, then we should at least have the political relationships," says Yu.

But even there Korea lags behind in profile. Foreign ministers have frequented ASEAN for annual conferences, but their appearances are less weighty compared to Japanese prime ministers whose rule is to always make ASEAN their second destination after a priority visit to the United States.

Korea's political interest in Asia outside the surrounding superpowers is weak because of the distance and differences in security needs.

A link, however, is in the breeding through Asia-Pacific multilateral security dialogue, held for the first time in the region this year at the ASEAN Post-Ministerial Conference (PMC).

Seoul officials want a narrower dialogue forum with immediate neighbors for a type of mini-CSCE (Conference on Security and Cooperation in Europe) just for Northeast Asia, but they all agree that the ASEAN channel is a good place to start.

The ASEAN-PMC, after all, includes big-time players like Japan, Canada and the United States and may well take root as the comprehensive security forum in the Asia-Pacific.

If Korea wants to play in both Asia and the Pacific as it says, it will really need a sense of balance in the coming years, officials here note.

They are already concerned about next year's APEC summit which opens in Indonesia.

"The United States stole the spotlight at this year's APEC, but next year the story will be entirely different. ASEAN will dominate the conference," says Yu.

Malaysian Premier Mahathir boycotted the Seattle summit, but the Indonesian Government will surely do its best to bring him to next year's meeting, and he is likely to come to the Bali island conference in a show of ASEAN solidarity.

The Asia-Pacific region is still in a limbo between ASEAN and APEC, but Korea needs and wants good relations with both sides. Geopolitics may keep Korea a middle power in the Asia-Pacific, but such status should make it easier for Seoul to accost other Asian middle powers.

Korea wants to assume visible international role, including a bid for a non-permanent seat in the United Nations Security Council in 1995.

Officials say it would be ironic for Korea to seek such a role without staunch alliance with its own Asian neighbors.

Government Plans To Liberalize Travel to China

SK2412025493 Seoul THE KOREA HERALD in English 24 Dec 93 p 2

[Text] The government will completely liberalize Koreans' travel to China within one year at the latest, the Foreign Ministry said yesterday. It said related ministries still differ on when it should be liberalized but agree on the necessity to do so within none year from now.

As a preliminary step, the ministry will relieve various restrictions on business travel to China beginning today, it said.

Under new regulations, permission for multiple trips will be effective for two years instead of one year. Such permissions is to be given to businessmen who are engaged in transactions worth over \$20,000, instead of \$50,000, the ministry said.

Chiefs of Korean missions abroad will not have to consult with Seoul in issuing permission for single visits to China by overseas Koreans, it said.

The government will also simplify procedures for inter-ministerial consultations on such permission, it said.

Further on Investigation of Arms Fraud Case

DLA Learned of Fraud in June

SK2412024893 Seoul YONHAP in English 0205 GMT 24 Dec 93

[Text] Seoul, Dec. 24 (YONHAP)—The Defense Logistics Agency (DLA) learned in June that it had been swindled in an ammunition purchase contract with French arms dealer Jean-Rene Fuan and revised its rules on arms suppliers to prevent a repeat of the incident, according to the Defense Ministry on Friday.

Chu Kwang-yong, a representative of Kwangjin Trading Co. and Fuan's agent, told the DLA in a letter dated June

11 that he had been cheated by Fuan, ministry officials said. Chu fled the country when the 6.7 million-U.S.-dollar swindle surfaced in mid-December.

The officials said that the military prosecution would shortly question former and incumbent heads of the DLA and related Defense Ministry officials on whether they received any report on the case or ordered an investigation if they received a report.

Bill of Lading Said Fake

*SK2212082993 Seoul YONHAP in English 0657 GMT
22 Dec 93*

[Text] Seoul, Dec. 22 (YONHAP)—Prosecutors investigating the 6.7 million-dollar arms deal fraud have found that French arms dealer Jene-Rene Fuan and his Seoul agent, Chu Kwang-yong, jointly submitted a forged bill of lading to the Korea Exchange Bank's Paris branch in May 1991, when the bank released payment from the Defense Logistics Agency for a shipment of ammunition.

Korea Exchange Bank officials said under interrogation Tuesday that Fuan and Chu had visited the Paris branch in May 1991 and together submitted the document, a prosecution spokesman said Wednesday. The prosecution has found that between May 1991 and December 1992 Fuan transferred 180,000 dollars to accounts held by Chu in South Korea.

The focus of the investigation has shifted to whether Fuan and Chu, who fled Korea when the swindle was discovered, conspired to defraud the Defense Logistics Agency, the spokesman said.

Military prosecutors searched the homes Wednesday of the two agency officers who have been arrested in connection with the swindle, and found that Yi Myong-ku had shredded bank passbooks issued prior to June. The prosecutors are examining bank accounts belonging to the pair for evidence of bribes paid by either Chu or Fuan.

Attache Meets French Dealer

*SK2412012993 Seoul YONHAP in English 0036 GMT
24 Dec 93*

[Text] Paris, Dec. 24 (YONHAP)—A South Korean Embassy official met with French arms dealer Jean-Rene Fuan, the central figure in a 6.7 million-U.S.-dollar swindle involving the South Korean Defense Ministry, on Wednesday, informed sources said Friday. He was the first Korean Government official to meet Fuan since the fraud surfaced in mid-December, the sources said.

Col. Yi Tong-ha, the defense logistics attache at the embassy, heard Fuan explain about his ammunition supply contracts with the Defense Logistics Agency, withdrawal of the payment from the Korea Exchange Bank's Paris branch and his relationship with Chu Kwang-yong, a representative of Kwangjin Trading Co. in Seoul, for about two hours on Wednesday afternoon,

sources said. Yi was not immediately available to confirm the meeting had taken place.

The French Government has stressed that it has nothing to do with the case as Fuan's company, Efico, is not French and it has not yet started to investigate Fuan, the sources said. The French Government will investigate if the Korean Government formally asks for an investigation, they added.

Embassy in Paris Releases Statement

*SK2512072393 Seoul YONHAP in English 0536 GMT
25 Dec 93*

[Text] Paris, Dec. 25 (YONHAP)—A South Korean military attache in Paris has got in touch with Jean-Rene Fuan, the central figure in the 6.7-million-U.S.-dollar arms deal fraud involving the Defense Logistics Agency (DLA), on three occasions since October, the South Korean Embassy said in a press handout on the Christmas Eve.

Col. Yi Tong-ha, military logistics attache at the embassy, talked with Fuan over telephone twice in mid-October and on Dec. 16 and met him at a Paris hotel on Wednesday. In the meeting with Col. Yi for about an hour, Fuan said he had not met any DLA people since the fraud case surfaced in mid-December and that he had acted on instructions of Chu Kwang-yong, representative of Kwangjin Trading Co. in Seoul, the press release said.

Asked about his withdrawal of 6.7 million dollars from the Korea Exchange Bank's Paris branch, he said he had done it because the effective period of the related letter of credit was approaching. "I was planning to ship the ammunition later," he was quoted as saying, "I don't know where the money now is because Mr. Chu manages the money."

Fuan said he could not tell Col. Yi about the special mission he had mentioned earlier, according to the handout.

The handout denied press reports that Fuan gave Col. Yi documents about his special mission.

In two telephone conversations with Col. Yi, Fuan said he had been trying to settle accounts with the DLA, adding he had never cheated it, the handout said.

'Conspiracy Link' Discovered

*SK2612092093 Seoul YONHAP in English 0845 GMT
26 Dec 93*

[Text] Seoul, Dec. 26 (YONHAP)—The military-prosecution investigation team on arms deal fraud found what it believes to be a conspiracy link to the South Korean Defense Logistics Agency Sunday after an agency employee confessed to receiving money from the contractor.

Yi Myong-ku, a civilian employed with the agency, admitted he received money on number of occasions from Chu Kwang-yong, owner of the Kwangjin Trade Co. that arranged 6.7 million U.S. dollars worth of artillery rounds through a French arms dealer.

The artillery rounds were never shipped, and the documents on the purchase turned out bogus.

Yi is already under arrest for issuing forged letter of credentials to the Defense Ministry for Chu.

He denied until Sunday's interrogation that he received any money from the Kwangjin Co. owner but told investigators that he personally knew Chu. But he claims that the money he received had nothing to do with the arms deal, investigators said.

The French arms dealer, Jean-Rene Fuan, was confirmed to have given Chu 490,000 dollars in laundered money and investigators believe the money Yi received is part of this sum.

Investigators said they are tracing the money flow in and out of Chu's and Yi's family accounts. Inside sources said the results may be out by mid-next week.

Team Searches Homes, Offices

SK2712042393 Seoul YONHAP in English 0316 GMT
27 Dec 93

[Text] Seoul, Dec. 27 (YONHAP)—The joint military and civilian prosecution investigation team on the 6.7-million-U.S.-dollar arms deal fraud involving the Defense Logistics Agency (DLA) searched on Monday the homes and offices of the two former DLA officials who have been arrested in connection with the swindle case. They are Hong Kol-hui, 54, former foreign procurement bureau chief of the DLA, and Navy Capt. To Chong-il, 46, former section chief under Hong.

The search was carried out as there was a strong possibility that part of the 6.7 million dollars French arms dealer Jean-Rene Fuan swindled out of the DLA must have found its way to DLA officials, including Hong and To, as bribes, sources said.

Meanwhile, the team has decided to summon again two local arms brokers, Yi Hui-kak, 47, and Min Kyong-on, 52, for further questioning.

Defense Minister Comments on Case

SK2712012993 Seoul THE KOREA HERALD in
English 27 Dec 93 p 3

[Text] A joint prosecution-military investigation team will be operated at the Defense Ministry to look into the fraud over the import of artillery shells.

The decision to establish the joint team was announced by Defense Minister Yi Pyong-tae. Yi said Friday that

the ministry decided to set up a joint prosecution-military investigation team since the case involves both military and civilians in addition to a foreign arms dealer.

"We will thoroughly investigate the incident and report to the people the whole truth without leaving any room for suspicion," Yi said before the National Assembly Defense Committee. He said the planned joint team will be headed by Maj. Gen. Pak Chong-kon, his ministry's legal affairs management officer, and will comprise several Justice Ministry prosecutors, military inspectors and defense institute experts.

"Both the incumbent administration and myself have nothing to conceal or cover up in respect to the incident inasmuch as it occurred in the days of the previous administration," Yi said.

The multimillion-dollar fraud over the purchase of artillery rounds was the joint work of a self-styled French arms dealer and his domestic agent, the Seoul District Prosecutor's Office said.

Announcing the outcome of its probe into the bizarre case, the prosecution said it had found that of the \$6.7 million paid by the Defense Logistics Agency to Jean-Rene Fuan, head of EFICO Co. of France, about \$1 million was remitted to Chu Kwang-yong, head of Kwangjin Trading Co. and Fuan's agent in Korea.

"We believe it was a conspiracy between Fuan and Chu in view of the fact that Fuan's remittance to Chu was far more than the customary arms commission rate which runs at 3 to 5 percent," a prosecution official said.

This argument can also be buttressed by the fact that Chu and Fuan together showed up at the Korea Exchange Bank's Paris branch in April 1991 to produce a fake bill of loading.

The duo again appeared at the same bank branch in December 1992 asking for early payment of the money.

The prosecution suspects that part of the \$1 million Chu received might have flowed into the pockets of Defense Logistics Agency officials.

Meanwhile, Fuan has insisted Chu was keeping the money withdrawn from the bank, saying he was not a swindler but on a special mission for the Korean government.

Defense Ministry Seeks Exit Ban

SK2912033293 Seoul YONHAP in English 0205 GMT
29 Dec 93

[Text] Seoul, Dec. 29 (YONHAP)—The Defense Ministry asked the Justice Ministry to bar former Defense Minister Choe Sae-chang and representatives of six defense contractors from leaving the country Wednesday in connection with its investigation of five projects under the Yulgok force improvement plan.

Choe served first as chairman of the Joint Chiefs of Staff and then as defense minister between December 1987 and February 1993, when the five projects were in full swing.

Kwon Yong-hae, who replaced Choe as defense minister in February and was replaced by Yi Pyong-tae last week, when president Kim Yong-sam reshuffled the cabinet, can hardly avoid an exit ban as he served as vice defense minister between December 1990 and February 1993, sources said.

Executives of the six defense contractors involved are Kim Song-ki, a managing director of Daewoo Corp.; So Chon-sok, president of Litton Korea; Sin Pang-yong, president of Hanguk Trading Co.; Yi Ho-pom, president of Kyong Il High Tech; Chon Won-hong, president of Sewon Trading; and Cho Ki-hyong, president of Chongu Construction Co.

Chu Kwang-yong of Kwangjin Trading, leading suspect in a 6.7 million-U.S.-dollar arms scam in the Defense Logistics Agency, has fled the country and the Ministry doesn't want any more suspects to get away, officials said.

Daewoo is suspected of receiving 29.75 million dollars from Lockheed for arranging the Navy's purchase of P-3 Orion anti-submarine aircraft from the U.S. firm, though it was supposed to receive only 4 million dollars.

Litton and Hanguk are involved in the Navy's tactical control and direction system project, in which the delivery date was put off four times over a period of more than three years.

Kyong Il is related to the Navy's warship fittings project, in which claims totaling 99,000 dollars against delivery of defective radios and other fittings are unsettled.

Sewon is also involved in the Navy's warship fittings project, in which claims of 1.07 million dollars against the supply of defective guns are unsettled.

Chongu is suspected of unfair trade practices as prime contractor in the Army's construction of a combat arms school in Changsong, South Cholla Province, for relocation from Kwangju.

Team Back From Somalia After 6 Months' Service

SK2412100393 Seoul YONHAP in English 0650 GMT 24 Dec 93

[Text] Seoul, Dec. 24 (YONHAP)—Part of the Army's Sangnoksu (Evergreen) Unit returned from serving in Somalia with the UN peace-keeping operations on Friday after having been relieved by replacements. A 78-member advance team led by Maj. Kim Pyong-o arrived at Kimhae Airport at one o'clock in the afternoon aboard a UN-chartered plane. They were welcomed at the airport by about 500 military people,

including commander of the Second Army Gen. Pak Se-hwan, family members and relatives.

Two hundred and forty-nine officers and men have been engaged in repairing roads and providing medical service for the Somalia people since June. The remaining 171 troops are to fly home on Jan. 13.

President Orders 'Sweeping Cleanup' of Military

SK2912022693 Seoul YONHAP in English 0211 GMT 29 Dec 93

[Text] Seoul, Dec. 29 (YONHAP)—President Kim Yong-sam lashed out at corruption within the military Wednesday and ordered a sweeping cleanup of all remaining irregularities.

"I can't understand why the Defense Ministry hid its corruption to this day," Kim told cabinet members over breakfast. "It's unforgivable that soldiers are working hard out in the freezing cold when a handful of arms dealers are dirtying the honor of the military."

The remarks are the president's strongest-toned reaction to an uncontrollable scandal involving the Defense Logistics Agency, an arms dealer from France, a contractor now in hiding, and 6.7 million U.S. dollars worth of munitions that were paid for but never received.

Newly appointed Defense Minister Yi Pyong-tae announced just a day earlier that he is beginning an across-the-board inspection of the Yulgok military modernization program and logistics next month.

"Government ministries specially have to boldly wash out the corruption that is piled up from past administrations," Kim told the breakfast meeting, attended by non-economic ministers.

He ordered the Defense Ministry to get support from the Justice Ministry in the cleanup drive, saying, "there is no reason to keep them buried."

He asked his cabinet to overcome the whiplash from the Uruguay Round and to unite with a sense of community, reminding them that the world is in the middle of dramatic change.

"... We have to participate in these changes and compete boundlessly," Kim said.

Concerned at uncertain global economy next year, the president said Korea must turn to China and the Association of Southeast Asian Nations (ASEAN).

He asked for cooperation from the police in efforts to minimize crimes and accidents, especially drug crimes.

"I know the police are enduring a lot of hardship, but they have to protect public safety and order," he said.

Defense Ministry To Investigate Yulgok Projects

SK2812033093 Seoul YONHAP in English 0313 GMT
28 Dec 93

[Text] Seoul, Dec. 28 (YONHAP)—The Defense Ministry will investigate procurement projects suspected of having financial and other problems in January and February, Defense Minister Yi Pyong-tae told reporters on Tuesday.

Four investigative departments of the Ministry will form a special team headed by Lt. Gen. Chang Pyong-yong, head of the Armed Forces Special Inspection Group.

Projects picked for investigation include the purchase of Lockheed P-3 Orion anti-submarine aircraft and the Navy's tactical control and direction system, the improvement of the Air Force's McDonnell Douglas F-4E Phantoms, the purchase of warship fittings, and other projects under the Yulgok force improvement plan, Yi said.

The investigations will focus on project feasibility, funding and efficiency, and contractor relations developed in the course of carrying out projects. If there arises the need to investigate defense contractors, the team will ask for cooperation from the prosecution and the Board of Audit and Inspection. When the investigations are complete, the team will publish its report, Yi said.

Further on Probe Into Yulgok Plan

SK2812072093 Seoul YONHAP in English 0702 GMT
28 Dec 93

[By Kim Myong-chol]

[Text] Seoul, Dec. 28 (YONHAP)—The 6.7 million-U.S.-dollar ammunition scam in the Defense Logistics Agency was behind Defense Minister Yi Pyong-tae's announcement Tuesday of investigations of the Yulgok force improvement plan early next year.

A joint special probe group will be formed from the Ministry's four investigative departments, including the Defense Security Command, to look into Yulgok procurement projects suspected of having financial and other problems, said Yi, who took office just a week ago. He said the investigations would pave the way for the Ministry to ensure cost-effective procurement for maximum force improvement with limited resources.

The ammunition fraud has aroused public suspicion not only of the defense procurement system but the Yulgok plan, which is important for national security, and Yi's investigation is considered a desperate measure to clear away the suspicion. Yi reported the investigation plan to President Kim Yong-sam on Monday evening during a dinner for Marine, Army, Navy and Air Force commanders at Chongwadae [presidential office].

Among the Yulgok projects to be investigated are the purchases of Lockheed P-3 Orion anti-submarine aircraft and tactical control and direction systems by the

Navy, the improvement of McDonnell Douglas F-4E Phantoms by the Air Force and the purchase of warship fittings by the Navy.

The anti-submarine aircraft project is suspected of wasting money by mismanagement, while the Navy's tactical control and direction project suffered three extensions of delivery date due to slow system development. Other projects have similar problems.

The joint special investigation group will question anyone suspected of being involved in wrongs related to any project under investigation, irrespective of rank or position, Yi said.

Whether Former Defense Minister Kwon Yong-hae will be queried is a matter of public concern as he was chairman of the force improvement committee and vice defense minister when the Yulgok projects were in full swing under the previous two military-backed governments.

When it finishes its work, the special investigation group will publish a report, divulging all it learned about the projects to clear all suspicion.

Along with the special investigation, the Ministry will review the defense procurement system, and Yulgok force improvement plan for drastic modification and reform.

If the reform by Kwon in the first 10 months of President Kim Yong-sam's civilian government was a personnel reform to purge politically minded generals, the reform by Yi may be titled a logistics reform to fight irregularities and corruption related to defense procurement.

Delay in Combat Aircraft Program Reported

SK2312070993 Seoul THE KOREA TIMES in English
23 Dec 93 p 3

[Text] The South Korean Air Force's Fighter Project Office said yesterday that there would be a delay in the next-generation combat aircraft program of 5 billion U.S. dollars due to a trouble in acquisition of a major part and component.

Commenting on a report by a U.S. weekly, the DEFENSE NEWS dated Dec. 20, a senior Air Force officer conceded that there would be a delay in delivering 12 F-16 Fighting Falcons to South Korea on schedule as Teledyne Electronics Corp., a leading U.S. defense contractor based in California, struck a snag in developing and producing an Identification of Friend or Foe (IFF) radar system.

Lockheed Corp. initially planned to ship the 12 F-16s to South Korea next year, equipping them with the new IFF system, APX-109 Plus, and assembling them at its combat aircraft plant in Fort Worth, Tex.

The magazine said that the Korea Fighter Program (KFP) would suffer a delay as the U.S. had not fulfilled

the contract signed between Seoul and Washington for purchase of 120 F-16s by 1999.

Prime Minister Calls on Former Presidents

*SK2512040493 Seoul THE KOREA TIMES in English
25 Dec 93 p 2*

[Text] Prime Minister Yi Hoe-chang made a round of visits to former presidents Choe Kyu-ha, Chon Tu-hwan and No Tae-u, yesterday afternoon.

Such visits are not rare indeed but customary for new prime ministers who conducted them sheerly out of courtesy for former presidents. However, Yi's visit drew special interest from the people since it was Yi who carried out the questioning of Chon and No in writing about irregularities that occurred while they were in office. At that time, Yi was the chairman of the dreaded Board of Audit and Inspection.

No and Chon reluctantly complied with the written questioning. And Yi was lauded for his audacity in taking the ex-presidents to task, overriding alleged opposition from Chongwadae [presidential offices].

Chon was questioned about the controversial construction of Peace Dam to neutralize the "exaggerated" possibility of a North Korean flooding attack. And No was asked to explain about a multi-billion-dollar arms procurement project to increase the nation's defense capability.

According to the Prime Minister's Office, there was no special political meaning in the visits. The two former presidents nodded when they were informed on the phone of the intention of Prime Minister Yi to pay a courtesy call.

In the meantime, it was learned that Chon and No did not show any hard feelings about the courtesy visits. Informed sources said they maintained that the visits were a kind of courtesy and his questioning of them was his way of doing official duty as the top watchdog against corruption.

Opposition, Ruling Party Leaders Hold Meeting

*SK2812101693 Seoul YONHAP in English 0804 GMT
28 Dec 93*

[Text] Seoul, Dec. 28 (YONHAP)—Three senior postholders of the ruling Democratic Liberal Party [DLP] and opposition Democratic Party [DP] met Tuesday afternoon at the Federation of Korean Industries building to discuss holding a special session of the National Assembly in early 1994 and dealing with political laws.

They were unable to agree but will continue talks between their floor leaders. Spokesmen Ha Sun-pong of the DLP and Pak Chi-won of the DP said in a joint statement.

The secretaries-general, floor leaders and policy committee chairmen of both parties attended the meeting, their first since a reshuffle of senior DLP postholders last week.

First State Minister for Political Affairs So Chong-won hosted the meeting.

The DP called for a special parliamentary session in January to discuss the government's follow-up measures to the Uruguay Round trade treaty and arms purchase fraud.

The DLP said it would be hard to hold a special session then because President Kim Yong-sam will give a new-year speech and ministers will brief him throughout the month, so they proposed sitting in the middle of February, after the Lunar New Year.

On the special committee on political affairs-related laws, the DP wanted to extend the working period of the committee while the DLP suggested it transfer unfinished business to the home affairs committee.

Changes in DLP Leadership Posts Announced

*SK2912064693 Seoul YONHAP in English 0624 GMT
29 Dec 93*

[Text] Seoul, Dec. 29 (YONHAP)—President Kim Yong-sam, in his capacity as president of the ruling Democratic Liberal Party, named Rep. Kang Chae-sop chief secretary to the party president on Wednesday.

Rep. Kang Sam-chae was named director-general of the Planning and Coordination Office.

Rep. Yi Sang-tuk was named director-general of the Policy Coordination Office One and Rep. Paek Nam-chi was named director-general of the Policy Coordination Office Two.

Rep. Nam Chae-tu was named chairman of the Central Ethics Committee and Rep. Son Hak-kyu was named vice spokesman.

Rep. Sin Kyong-sik was named chairman of the Peaceful Unification Committee and Rep. Yi Chae-myong was named to the youth servicemen team.

First Deputy Secretary-General Rep. Choe Chae-uk, Second Deputy Secretary-General Cho Pu-yong and Vice Spokesmen Cho Yong-chik and O Chang-sop retained their posts.

Amnesty Granted to 'Security-Related Criminals'

*SK2312093593 Seoul YONHAP in English 0605 GMT
23 Dec 93*

[Text] Seoul, Dec. 23 (YONHAP)—The government decided Thursday to grant amnesty to, and restore the civil rights of, 13 politicians and 174 members of the unauthorized national teachers union who have been

punished for crimes and to release on parole 44 public security-related criminals on Christmas Eve.

The government also decided to free 1,299 common criminals.

Among the 13 politicians are former lawmaker So Sok-chae of the ruling Democratic Liberal Party, who was convicted of paying off a rival party candidate in a by-election in Tonghae City in 1989, and former Reps. Yi Chae-kun, Yi Ton-man and Pak Chin-ku, who took bribes, and politicians Yu Ki-chun, Chong Hae-yong, Pak Chae-kyu, Yi Sang-ok and Yi Kyo-song.

Former student leader Chon Mun-whan, imprisoned for sending Yim Su-kyong to Pyongyang to attend the Pyongyang Youth Festival in 1989, was paroled.

The decision was made in a cabinet meeting, the releases are scheduled for Friday at 10 a.m.

Former Rep. So Kyong-won, who secretly visited Pyongyang in 1988, and Kang Ki-hun, who was convicted of having written the suicide note for Kim Ki-sol, who committed suicide in 1991, and people involved in the Hanbo bribery scandal were excluded from the Christmas pardon.

President Urges Increase in Competitiveness

SK2712061693 Seoul YONHAP in English 0535 GMT 27 Dec 93

[Text] Seoul, Dec. 27 (YONHAP)—President Kim Yong-sam has called on the people, the government and the business to pull together in increasing the nation's international competitiveness.

The concerted effort to increase national competitiveness in an era of globalization must focus on businesses and provinces and the central government must not spare anything to support them, the chief executive told an expanded government meeting to evaluate the state of national affairs in 1993 at Chongwadae [presidential office] on Monday.

An uninterrupted pursuit of reforms, the reform clearing the past and the reform preparing for a world role in the future, will greatly help boost national competitiveness, Kim stressed.

Attending the meeting were all cabinet ministers, including Prime Minister Yi Hoe-chang, administrative reform committee members, heads of non-cabinet government agencies and provincial governors.

"In the New Year, the government must provide a far-reaching vision of the country in the world of the 21st century on the basis of the achievements and lessons of the reform program it conducted in the past year and gear up the reform program in the direction of this vision," he said.

The coming year is important because "we must establish a firm position of the nation in a new world order that is ushered to us in the New Year," he added.

Noting that 1994 is the only year without any elections in his five-year term, Kim called on the cabinet to work harder for the people in the New Year than any in the past, with stress on programs that can practically increase the nation's international competitiveness and improve the people's living standards.

Looking back on the past year, President Kim admitted the government had failed to effectively cope with the burst of provincial and group egoism and with the Uruguay Round of world trade talks.

Task Force Formed To 'Perk Up' Economy

SK2812005093 Seoul THE KOREA TIMES in English 28 Dec 93 p 1

[Text] President Kim Yong-sam has said the government will begin to cut down on red tape, administrative and legal, in order to perk up the sagging economy. In order to vigorously push ahead with the program, Kim said he will set up a task force, led by Pak Chae-yun, senior presidential secretary in charge of economy, at Chongwadae [presidential office].

Over breakfast with economic ministers at Chongwadae, President Kim said the relaxation of various regulations is vital to boosting the economy. However, he said a certain degree of regulation is necessary especially for environment and health affairs. In most other fields, red tape will drastically be curtailed or removed completely, he added. He said that deregulation is so important to prime the economy that he would directly check the progress of how fast and efficiently it is being carried out.

In a state affairs assessment meeting, Kim reiterated the need for reform and change, saying that it will help strengthen the competitive edge of the nation's economy. He said government officials should not harbor the wrong idea that the reform drive that has been pushed vigorously will eventually wind down. The Chongwadae meeting was participated in by entire Cabinet members, senior presidential staff, provincial governors and mayors of special cities.

In order to galvanize the nation's economy to survive the ever increasing international competition, Kim said the central government should not spare efforts in assisting enterprises and the provincial economy, the backbone of the national economy.

Kim instructed the participants to draw up a program to back up the government policy of strengthening economic competitiveness in an era of internationalization. He called the attention of the participants to the fact that the government does not exist to regulate but to serve.

President Kim complained of the fact that the deregulation program of the past was not satisfactory. Besides, the government was found not well prepared for possible

large-scale accidents. He also admonished government officials for not having taken due steps in preparation for the eventual conclusion of the Uruguay Round [UR], being caught up in selfish turf consciousness.

In the meeting, Kim Si-hyong, director of the planning and coordination bureau at the Prime Minister's office, reported that the government will intensively train officials in the fields of international affairs in order to better adapt to the rapidly changing international situation in the wake of the UR conclusion.

Deputy Premier Pledges To Help Farmers

SK2712005093 Seoul YONHAP in English 0030 GMT 27 Dec 93

[Text] Seoul, Dec. 27 (YONHAP)—Deputy Prime Minister Chong Chae-sok pledged Monday [27 December] that the government will try to strengthen the nation's competitive power and work out measures to help farmers and fishermen in 1994.

Chong, who is also minister of the Economic Planning Board, made the pledge in a report to a meeting at Chongwadae [presidential office], convened to evaluate national policies of 1993.

The government will promote technological development to help boost the industrial competitive strength and mass train technical personnel and expand social infrastructures in the coming year, Chong said.

The government will bring up farming into a competitive industry as it will be the area most adversely affected by the successful conclusion of the Uruguay Round of global trade negotiations, Chong said.

Specifically, he said, the government will map out an overall measure for the improvement of the agricultural industry within six months and carry it out in stages with 1994 as the starting year.

The plan would call, among other things, for the development of agricultural technology, arable land reform, and increase in investment in agricultural and fisheries industry, he said.

Looking back at President Kim Yong-sam's first year in office, Chong highly evaluated the introduction of the real-name financial transaction system, improvement in labor-management relations, and relaxation of various administrative regulations in the economic sector.

Government Urged To Reveal Measures

SK2812004193 Seoul THE KOREA HERALD in English 28 Dec 93 p 2

[Text] Lawmakers of both ruling and opposition parties yesterday [27 December] urged the government to put forward concrete measures to support farmers facing the opening of the nation's agricultural market. The lawmakers asked the government to unveil its schedule for opening the domestic market under the accord of the

Uruguay Round of world trade talks by next March at the latest. They also pointed out that the Uruguay Round is not over entirely until a meeting of ministers of the Uruguay Round member countries slated for the city of Marrakech in Morocco next April.

Their demands came in a meeting of the National Assembly special committee on the Uruguay Round, which has started its work.

The major opposition Democratic Party lawmakers opposed the idea of levying new taxes to raise money to develop the domestic agricultural industry. Instead, they called for diverting part of the government budget to support the farmers.

The committee also received a briefing from government negotiators on the results of the Uruguay Round, which ended successfully in Geneva just before the Dec. 15 deadline.

The 21-member committee led by Rep. Kim Pong-cho of the ruling Democratic Liberal Party was established to work out National Assembly-level measures to cope with changes to be wrought by the global trade agreement which calls for a gradual opening of the Korean rice market beginning 1995.

The committee plans to convene again in mid-January to work out the Assembly-level measures.

Development Institute Predicts Economic Expansion

SK2812024893 Seoul YONHAP in English 0157 GMT 28 Dec 93

[Text] Seoul, Dec. 28 (YONHAP)—South Korea's economy will expand 7 percent next year thanks to brisk exports and more investment in facilities and construction, the state-financed Korea Development Institute (KDI) said Tuesday. It forecast inflation at 5.6 percent, up from this year's estimated 4.8 percent, and the international balance of payments surplus at 1 billion U.S. dollars, compared with this year's equilibrium.

KDI advised the government to give priority to stabilizing prices while keeping the economic growth at its potential level of 7 percent in the new year.

Due to economic recoveries in advanced countries, Korea will have export growth of 9 percent, it said.

A stable political situation, settlement of the real-name financial transaction system, relaxation of restrictions, and increase in the supply of facility funds will stimulate investment in construction and boost economic growth to 7 percent, KDI said.

The KDI estimate for next year is much higher than this year's initial estimate of 5 percent, which means that the economy is nearing the point of achieving its growth potential, an Institute spokesman explained.

Private consumption will stabilize at this year's 5 percent despite the expected economic growth due to real estate price declines and low pay rises.

Facility investment will be rekindled and construction investment will expand so gross fixed investment will grow up to 7 percent. Facility investment, which has made minus growth for two consecutive years, will register a 6-percent increase next year as the financial flow recovers from the early shocks of the real-name system.

Due to a reduction in red tape, construction and building will be boosted, and with expanded social overhead capital projects construction investment will soar 7 percent.

Exports will grow around 9 percent due to a better world economy and strong Japanese currency, and imports will rise, but not as fast as exports so Korea will pile up a trade surplus of 3 billion dollars and a current account surplus of 1 billion dollars.

Inflation was pegged at relatively low rates for the last two years due to low economic growth, but prices are expected to soar 5.6 percent next year due to hikes of public utility rates and price rises of farm products as the result of cool weather last summer.

To combat inflation, the economic growth should be kept from surpassing its potential rate of 7 percent, or else consumer prices may leap more than 6 percent, KDI said.

It also recommended that the money supply band be expanded to adapt to the expansion of interest rate fluctuation following the deregulation of rates and slow currency circulation as a result of the real-name system.

It warned of the won's appreciation due to difficulties in currency control and foreign exchange policy following the expected large inflow of foreign capital as it may be a stumbling block to export growth.

KDI Recommends Standardizing Bond System

*SK2712040793 Seoul YONHAP in English 0308 GMT
27 Dec 93*

[Text] Seoul, Dec. 27 (YONHAP)—To promote the lagging bond market, issuing method of government bonds should be standardized, all bonds be issued at real value, and professional dealership be adopted, a state-funded think tank said Monday.

Issuing authority of government and public bonds should become uniform, kinds be simplified, and floating volume of similar bonds be increased as to raise the marketability of government bonds that could result in stimulating the bond market and minimizing public expenses, the Korea Development Institute [KDI] said in its policy report on bond market improvements.

Apart from currency bond that is to be issued at actual value together with the second-phase liberalization of interest rates, rates on financial bond should also be deregularized early.

KDI recommended sales of the government bonds by auction, first of all selling a small number of new items and then gradually increasing the auctioning number.

To improve the bond maturity structure, which has the greatest number of three-year-old corporate bonds at the market, the government should first try issuing five-year-old state bonds and if they succeeds on the market, extend the maturity of its bonds to seven years and 10 years, the think tank said.

Prerequisites for its recommendations are price stabilization, vitalization of the circulating market, and tax benefits on long-term holdings, KDI said.

In addition, the economic institute explained the need of adopting professional bond dealership in order to raise the objectivity and credibility of bond yields and acquire bond liquidity.

Balance on bond issuance reached 9 trillion won last year, 40 percent of the gross national product, but quality improvement did not follow the quantity growth.

KDI pointed out that Korean bonds are currently disposed by compulsory allotment not by auction and that representative item cannot emerge because of excessive kinds on the market.

Corporate bonds of under three years old take up 87.6 percent of their kind so that firms face difficulties in drawing funds in long run.

Bank Urges Expansion of Intra-Industry Trade

*SK2712061293 Seoul YONHAP in English 0515 GMT
27 Dec 93*

[Text] Seoul, Dec. 27 (YONHAP)—South Korea should expand intra-industry trade in a way that can raise its technology level and industrial structure, a Bank of Korea report said on Monday.

The intra-industry trade should be encouraged through efforts for technology development and economic cooperation with other developing countries, relaxation of regulations on direct investment by foreigners, and increase in production of high value-added light industry goods.

The report on "the development and evaluation of the intra-industry trade" said the intra-industry trade is increasing in regional economic organizations like the European Community (EC), and is expected to continue its trend as the world economy is being divided into big blocks including EC and the North American Free Trade Agreement (NAFTA).

Intra-industry trade is a trade of goods belonging to the same industry. For instance, if France sells its "Renault"

cars to Germany and imports "Volkswagens" from Germany, or when South Korea exports wooden desks and imports iron desks, then it is the "intra-industry trade."

The report said the intra-industry trade increases as the economic strength between trade partners are similar, direct investment by foreigners and overseas investment are revitalized and trade barriers are removed.

The report emphasized South Korea should expand facility investment and develop technology in the fields of aviation, telecommunications and automation equipment that are expected to lead South Korean exports soon.

South Korea should strengthen economic cooperation with newly industrialized countries (NICS) and South-east Asian nations to share manufacturing processes on the basis of comparative advantages in the fields of electric and electronics, iron and steel and automobiles, thereby strengthening competitiveness of the goods on the international markets.

Light, Heavy Industrial Exports Figures Noted

*SK2412021893 Seoul YONHAP in English 0141 GMT
24 Dec 93*

[Text] Seoul, Dec. 24 (YONHAP)—Exports of light industrial goods continue to drop, falling to 30.3 percent of total exports in January-November from 33 percent last year. Light industrial exports were down 2.5 percent from 1992 at 22,493 million U.S. dollars for the 11 months.

In contrast, electric and electronics exports grew 12.1 percent to 22,033 million dollars, or 29.7 percent of total shipments. Due to brisk exports of automobiles, steel and machinery, total heavy industrial exports rose 12.4 percent to 48,963 million dollars and accounted for 65.9 percent of the total.

January-November automobile exports surged 62.5 percent and were the biggest contributor to the growth of heavy industrial exports. Steel and machinery exports rose 19.2 percent and 24 percent, respectively.

Except for fabric, textile exports like clothes and fiber plunged. Total textile exports inched up 0.8 percent and exports of footwear, and toys and dolls plunged 27 percent and 33.5 percent, respectively.

Machinery Industry Imports Decline in 1993

*SK2812101793 Seoul YONHAP in English 0756 GMT
28 Dec 93*

[Text] Seoul, Dec. 28 (YONHAP)—Machinery imports are likely to post their first decline in 11 years, reflecting a slowdown in facility investment, the Korea Association of Machinery Industry (KOAMI) said Tuesday. The machinery trade deficit is expected to be sharply down this year although imports of Japanese machinery have soared.

Imports are forecast at 24.7 billion U.S. dollars, down 0.3 percent from last year. The last decline was 7.2 percent in 1982.

Exports will reach 20.6 billion dollars, up 21.8 percent, on good sales of automobiles and industrial facilities to developing countries, lowering the machinery trade deficit from 7.8 billion dollars last year to 4.1 billion dollars this year.

The trade deficit with Japan will expand from 7.7 billion dollars to 8.1 billion dollars, however, as exports rose 7.6 percent to 1.4 billion dollars and imports rose 5.4 percent to 9.5 billion dollars.

Japanese machinery will account for 38.5 percent of machinery imports, up 1.9 percentage points as dependency on Japan deepens despite the government's efforts to diversify sources of import.

Imports of Japanese precision machinery and sophisticated main parts of automobiles expanded, KOAMI officials said.

Exports will be 24.7 billion dollars, up 19.9 percent, next year, while imports will be 27.5 billion dollars, up 11.3 percent, for a 2.8 billion-dollar deficit, they predicted.

Hyundai Plans To Reclaim Area as Farm Land

*SK2312015493 Seoul YONHAP in English 0023 GMT
23 Dec 93*

[Text] Seoul, Dec. 23 (YONHAP)—The Hyundai Business Group plans to farm a reclaimed land on the west coast in Sosan, South Chungchong Province, to produce 500,000 sacks of rice a year from 1996. The plan is contained in the group's overall project aimed at industrializing farms in order to cope with the opening of the market for foreign rice and other farm products, group officials said Thursday.

Under the plan, the group will turn the reclaimed land into a state-of-the-art agricultural complex with an agricultural research center to train specialized personnel, the officials said.

The reclaimed land in Sosan covers about 30,752,000 pyong (one pyong equals 3.3 square meters) where about 500,000 sacks of rice of 80 kilograms each will be grown annually from 1996, they said.

Hyundai hopes to complete the reclamation project by June 1995 and cultivate the land with 71 technicians, four light planes, 60 tractors, 40 combine harvesters and other machinery for experimental farming.

When rice production starts in the complex in earnest, per capita cultivating area could be 132 hectares, compared with the current national average of 0.8 ha. Rice produced in the complex could be sold at 40,000 won a sack, compared with 68,000 won a sack for ordinary brand being sold now.

Industries Consider Hiring Foreign Workers

*SK2312021793 Seoul YONHAP in English 0107 GMT
23 Dec 93*

[Text] Seoul, Dec. 23 (YONHAP)—Small- and medium-sized industrial companies in South Korea may consider hiring 20,000 people a year from Indonesia, Myanmar, Vietnam, the Philippines and China to resolve their dire manpower shortage.

Pak Sang-kyu, chairman of the Korea Federation of Small Business (KFSB), said on Thursday that the idea was being discussed with the authorities in each country. KFSB, the major interest group of small- and medium-sized companies, is in charge of managing foreign industrial workers.

"We are thinking of bringing in more than 20,000 foreigners a year to help resolve the labor shortage," Pak told reporters. If the results are good, contracts will be extended for one year, if not, the foreigners will be returned to their countries after six months, he said.

There are some 60,000 alien workers, mostly from Southeast Asia and China, in Korea and they have become indispensable to small industries because of high wage demands by locals and growing dislike of so-called 3-D (dirty, difficult, dangerous) jobs.

Business Groups Buy Industrial Complexes Abroad

*SK2812071093 Seoul YONHAP in English 0647 GMT
28 Dec 93*

[Text] Seoul, Dec. 28 (YONHAP)—The Samsung, Hyundai and Daewoo Groups are buying large areas of foreign land to be developed into industrial complexes to house several or all of their respective subsidiaries in one place.

This branching out, which is group-wide and so differs from a previous one in which a subsidiary made inroads into a country on its own, is aimed at cutting the combined investment costs of group subsidiaries, improving the group image and taking an advantageous position over competitors in the regions involved.

Daewoo, for example, will build factories for automobiles, electronics equipment, communications facilities and related parts on 600,000 pyong (1 pyong equals 3.3 square meters) in a 1 million-pyong site near Kasim Port in Pakistan reserved for a Korean industrial complex by the Pakistani Government.

"Construction will begin early next year and operation will start late next year," a Daewoo spokesman said Tuesday.

Daewoo will also purchase land in Subic Bay, the Philippines, for light industry at the request of the Manila Government. It is studying to purchase nearly 1 million

pyong of land in Peru, Chile or Venezuela as these Latin American countries have adopted a policy of land privatization.

Samsung was offered an industrial complex of 1.5 million pyong in Spain by the Spanish Government this year and will sign a contract in the first half of 1994. Samsung also considers buying land in the Philippines and Vietnam.

Hyundai has purchased 600,000 pyong in Indonesia to build plants to manufacture automobiles, electronics equipment and related parts. Hyundai will also admit non-Korean companies on its site.

*** Ex-Envoy Defends Unification by Absorption**

*942C0031A Seoul WOLGAN CHOSON in Korean
Nov 93 pp 480-492*

[Report on interview with Sin Tong-won, former ambassador to Germany, by Kim Tong-hyon, in Seoul on 6, 7 October]

[Excerpts] Sin Tong-won, 60, who retired from the foreign service after last serving as ROK ambassador to Germany for three years from March 1990 through May 1993, witnessed German unification. [passage omitted]

Said former Ambassador Sin: "I believe the information I collected by using our government's budget should be shared with the people. German unification is not the story of a far away country. The partition of Germany was a product of the Cold War era as is the division of Korea, and the course of German unification will have some impact on the yet-to-be attained unification of the Korean Peninsula. The problems Germany encountered in the course of unification are the kind of problems we are likely to experience. We had better adopt the German policies that proved successful, as they are. Their failed policies would be a good medicine for us. If we modify them to suit our situation, we can use them as our policies."

He disclosed that when he left for Germany to take up his new post, then President No Tae-u asked him two things: First, to collect and analyze information regarding German unification and report the results to the home government; second, to solicit Chancellor Kohl's visit to South Korea. Mr. Sin said he was shocked by what he saw one or two months after he arrived in Germany.

Said the former ambassador: "The picture of German unification he had in mind when he was the deputy minister of foreign affairs and was on the forefront of the Nordpolitik was different from what was actually happening on the spot. There were too many errors in the analyses made by our scholars and journalists. What surprised me most was the fact that the FRG Government did not even have anything resembling our unification formula until the early 1990's. I was so skeptical about it that I asked a high-ranking official of the Bonn

government about it. He retorted: "When unification was obviously unattainable, what is the use of making a plan?" According to him, the West German government never, not even once, proposed to unify the country while carrying out exchanges and cooperation with the East German government for over 20 years. He said that the division is the legacy of the Cold War, and it was meaningless to discuss a unification policy when the Cold War was still going on."

Aside from that attitude of the West German Government, Mr. Sin was amazed by the results of researches made by the private sector in Germany.

The former ambassador said: "For over 20 years private research organizations, academia, and the press had been conducting studies into problems that would be encountered in the post-unification period. [passage omitted]

In the embassy structural reorganization, Ambassador Sin set up a general planning section, and divided the subjects on which materials need to be collected and assigned specific subjects to each department to avoid duplication. The subjects were divided into eight categories, including political, military, economic, and social welfare. It was 1 June 1990 that a full-fledged drive was launched to collect materials. Ambassador Sin spent several days and nights tackling the division of some 150 collection targets with his staff. The result is what is called "Research Data on German Unification." As of 21 July 1993, the number of materials collected by the ROK Embassy in Germany totaled 1,178 and the number of reports filed to different ministries and agencies of the home government totalled 7,328. All the materials collected were sent to the home government. [passage omitted]

The embassy compiled the materials that it considered essential into books. They are: "History of Germany: From Division to Unification" (May 1991, 583 pages); "Small Dictionary on German Unification" (March 1992, 550 pages); "German Unification as Viewed in Figures" (late 1992, 292 pages). These books were distributed to research and press organizations in Korea.

Former Ambassador Sin recalls: "While collecting and analyzing data on German unification, we became experts in this field as a matter of course. Probably, few civil servants are more knowledgeable on the unification issue than our embassy personnel in Germany. While continually observing the process of German unification, we felt as if the tangled Korean unification was beginning to unravel. [passage omitted]

Until Mr. Sin arrived in Germany as new ambassador, he had thought, as many scholars and journalists back home did, the major contributory factor in German unification was the success of the West German government's long-range policy of laying the groundwork for unification.

Said Mr. Sin: "When I was there, I realized that no less important than the government policy was the change in the international climate surrounding Germany that operated in favor of German unification. This is to say that Germany was divided because the then existing international environment demanded the division, and Germany was unified because the unification of Germany was the demand of the changed international environment. Many of us often think that if North and South Korea do their best together as the same nation, things will turn in our favor. But unification cannot be achieved by agreement between North and South Korea alone. Unification should not make the neighboring interested countries uncomfortable. If Germany's neighboring countries, namely, the United States, the Soviet Union, Great Britain, and France, had not wanted German unification, Germany would not have been unified. West Germany made its neighbors feel comfortable about German unification, and that was the success of West German diplomacy. If the United States, the former Soviet Union, China, and Japan are our neighboring countries, we can achieve unification only when we can unify the country into one that makes these countries feel comfortable about it." [passage omitted]

Mr. Sin said: "The lesson of the German unification is that it is difficult to achieve unification if any of the neighboring countries feel uneasy about it. So it is important to take measures to allay such fears in advance."

Since his return home from Germany, former Ambassador Sin has been unhappy about the polemics over the unification by absorption formula, one of the unification formulas under discussion.

Said Mr. Sin: "True, there have been some after-effects of German unification. But it is wrong to attribute them to West Germany's unilateral absorption of East Germany as some observers often do. In Germany there was no alternative but to try to achieve unification by absorption under the circumstances prevailing in the period from late 1989 through October 1990. In a sense it was the inevitable option for both East and West Germany. Under the circumstances when no one knows how the internal and international circumstances will change, why do we have to declare prematurely that we will not unify the country by absorption?"

Former Ambassador Sin pointed out that the story of German unification by absorption is misinterpreted in our country in some cases. When asked: How could Germany be unified otherwise, no one gives a firm answer. Besides, some people think that unification by absorption was decided upon between East and Germany alone, but that view need to be corrected. The decision on unification by absorption reflected the wishes of the interested countries. Suppose East and West Germany formed a new state through negotiations, then the new state would have to adopt a new constitution. If a unified Germany should become a neutral state or a partly socialist state in which the East German

government's socialist policies were integrated, that would make the United States, Britain, and France uneasy, wouldn't it? These countries wanted a unified Germany to become a state inheriting the West German spirit, which they are familiar with."

Former Ambassador Sin said we should view our unification issue from this same perspective. He even said that international diplomacy is cold-hearted.

He said: "We should learn from what the United States said before Germany was unified. While saying it is a matter for the people of East and West Germany should decide for themselves on the basis of the right of self-determination, the United State declared: A unified Germany must stay in NATO and the EC no matter what. At that time, the Soviet Union was against a unified Germany joining NATO. But Germany launched a feverish diplomatic lobbying campaign to bring Gorbachev around." [passage omitted]

He added: "We should ask ourselves whether we have a diplomatic capability competent enough to prevent bloodshed should there be a popular uprising in North Korea." He also recalled that in those days the Soviet Union had already given up its role as a prop for the East German government. [passage omitted]

Former Ambassador Sin mentioned the question of revising the treaties as one of the factors that made the interested countries uneasy about any German unification formula other than the one that calls for unification by absorption. This is to say that when a new state comes into being, one cannot overlook the trouble that all countries in the world will have to go through in concluding new treaties with it.

Said Mr. Sin: "Suppose North and South Korea form a new state through joint efforts. The first thing the new state will have to do is sign a new defense treaty with the United States. It will also have to sign new treaties with Japan, including a treaty of commerce and navigation. There are also the treaties North Korea signed before, and concluding new treaties is not an easy thing to do. In case of Germany, this was one of the reasons the interested countries wanted German unification through absorption."

Former Ambassador Sin emphasized that although it is impossible to predict for sure what form our unification will take, "there is no need or reason we should declare that "we will not unify our country through absorption."

[Kim] Mr. Ambassador, is unification through absorption, in essence, your idea of unifying our country?

Sin: It is hard to say categorically. But it is inconceivable that two states with different systems can be unified into one, leaving either system intact. That is not unification but the creation of a binary state. [passage omitted]

Former Ambassador Sin said that presumably, the reason our government established diplomatic relations with the Soviet Union in lightening speed in September

1990 was that our government felt it urgent to establish diplomatic relations before Gorbachev was overthrown.

Former Ambassador Sin mentioned the following as the major factors responsible for German unification: the change in the international climate; the collapse of East Germany from within; the mighty economic power of West Germany; and the wise and resilient diplomacy of West Germany. All these elements give us valuable lessons. Particularly, East Germany's collapse from within draws our attention. Mr. Sin gives five causes of this collapse: First, the change in the international environment surrounding East Germany; second, the bankruptcy of the East German economy; third, the abandonment of East Germany by its suzerain, the Soviet Union; fourth, the change in the consciousness of the East Germans resulting from exchanges between East and West Germany; and fifth, the help of God.

Mr. Sin put particular emphasis on the bankruptcy of the economy. [passage omitted] In this respect East Germany and North Korea are alike. When South Korea hosted the Olympiad, North Korea spent hundreds of millions of dollars on the World Youth Festival. The North Korean economy is also headed for ruin. [passage omitted]

Former Ambassador Sin said when East Germany collapsed, West Germany was able to achieve unification by dint of its economic strength.

He said: "The influence of West Germany extended not only to the Soviet Union but also to the whole of the Eastern bloc. Of the \$80-billion foreign debt of the Soviet Union, \$50 billion came from West Germany. Eastern bloc countries were in a similar situation. Thanks to its economic power, West Germany was able to make its unification formula acceptable to the communist bloc. The same is true with the West. Germany is the engine of the EC. When the German economy grows 1 percent, it helps the EC's economy grow 0.3 percent. Even at this moment Britain and France are asking Germany to lower interest rates.

"We do not have that kind of economic power, and we have to build our economic strength so that the neighboring countries may not ignore our view when a full-fledged debate develops over our unification issue.

"Only when we build our national strength will we be able to achieve the kind of unification that is in accord with our ideals. In case we do not have such strength, can you think of any other way than seeking the kind of unification that just corresponds to our lot."

Mr. Sin was perplexed by the recent debate in our country over the \$3- billion aid the ROK provided to the Soviet Union in return for the establishment of diplomatic relations.

He said: "We are in such a situation that we have got to pull Russia and China into our side. Russia is a military superpower and a big country. We have become a

creditor nation for the first time in history. I believe that it is a wise thing for us to do to remain a creditor nation at least until we have achieved unification. It is in the nature of things that the borrower listens to the lender. If we should mistreat a friend we made after difficulty, no one knows what retribution would be in store for us. We must think prudently and exercise good judgment. The West German public and even the opposition parties made no issue of the foreign loans despite their enormous amount."

It seems that of the five causes of East Germany's collapse, only one, namely, the economic factor, is applicable to North Korea for these reasons: The international environment of North Korea has not changed as much as did the international environment of West Germany; the Soviet Union and China, North Korea's masters, have not completely abandoned it; and our diplomatic and economic power is not as strong as that of West Germany.

Our last hope is "a gift from the heaven" as pointed out by Mr. Sin.

He said: "When I met Mr. Brandt after Germany was unified, I congratulated him, Congratulations. Your life-long wish has come true at last." He said to me, God helped us.' I believe that we, too, will have some God's will which will prevail just as no one can defy Providence that the elderly people in North Korea and its prop, China, trust so deeply."

Former Ambassador Sin said that we have many things to learn from the history of West Germany's exchanges with East Germany. He said:

"I still remember the words of (Egon Bauer), a vice minister who served as a contact point in dialogues with East Germany under Chancellor Brandt. He said unification is not just a one-shot effort but a long journey that can be completed only by achieving qualitative changes that will come in many stages through contacts and exchanges for an extended people. As if he were addressing to our people, the people of a divided country, he said, It is better to maintain even a bad relationship than to have none at all," adding, "the reason is that a worsened relationship contains the possibility of improvement, but where there is no contact at all, there is no hope of improvement."

I pointed out that some people say it makes no sense to hold dialogues when no good results are expected of them. The former ambassador responded:

"It is too hasty. There were six inter-German summit meetings until Germany was unified. The first summit took place at the East German border city of Erfurt. Entering by the opposite doors, the two leaders took their seats across the table face to face without even shaking hands. After reading their prepared statements, they parted without shaking hands. If we had that kind of summit meeting, our press would have made much ado about it. That was a manifestation of West Germany's

principle of continuing contacts despite the bad relationship, and the West German people supported this principle."

Former Ambassador Sin emphasized the importance of the role of diplomacy in achieving German unification. He believes particularly that West Germany's consistent efforts to improve its "ties with the United States" since the end of World War II worked as nourishment for unification.

Said Mr. Sin: "A high-ranking aide to Chancellor Kohl said to me: With the judgment that not East Germany but Moscow and Washington held the key to German unification, we exerted efforts for diplomacy toward the United States and the Soviet Union, making concentrated efforts particularly to strengthen our ties with the United States. As a result, when U.S.-Soviet relations improved, West German-Soviet relations also improved thanks to the strengthened ties between West Germany and the United States.' After listening to him, I asked myself with a sense of guilt whether I as a professional diplomat worked hard enough for unification in the conduct of my daily diplomatic activities by linking them to the cause of unification."

Mr. Sin said he was particularly impressed by the fact that West Germany made every possible effort to strengthen its ties with the United States.

The former ambassador recalled: "Deputy Foreign Minister (Zudhov) said to me, "Don't repeat Germany's error after the First World War (the failure of Germany to prevent the U.S. troops from withdrawing from Europe after the war, causing tension in Europe again and sowing the seeds of another war.) This was the keystone of German diplomacy after World War II. His argument that U.S. troops in Germany should remain after unification was in line with that policy."

When topics change to matters concerning the Korean Peninsula while absorbed in his discussion about Germany, he became cautious about his expression. For instance, he said, "If Washington and Moscow hold the key to German unification, it is reasonable to postulate that Washington and Beijing (and Moscow) hold the key in our case."

Mr. Sin went on: "This is not the age of globalization only in word. We cannot achieve unification only by talking things over between North and South. The United States, Japan, Russia, and China are all in a position to have a say about it. We must make every diplomatic effort to lay the groundwork for it. Particularly, we must conduct more intimate diplomacy toward the United States. Remember that during the recent crisis in Russia, the United States and other Western Countries instantly came out in support of Yeltsin. At first glance the crisis would seem an internal affair of Russia, but the general perception is that it is an international issue. Just in case a riot breaks out in North Korea, do you think the world will be indifferent to it?

We must look straight at the rushing tide of the time. We must lay the groundwork in advance."

Pointing out that the foremost lesson German unification gives us concerns the process of unification, former Ambassador said:

"What is meant by unification? It means integrating the East German system into the West German system. It also means uplifting the living standard of the East Germans to that of the West Germans. To this end, work is under way to achieve unity and equalization in all aspects of society, political, economic, social, and educational. Each step in each of these aspects could be a textbook model for us. We can project the future of our country from the process of German unification." [passage omitted]

Kim: Of all the after-effects of reunification, the question of returning private property seems to draw particular attention. This issue is becoming a matter of concern for our displaced persons from the North.

Sin: De Maiziere, the last East German premier, begged West Germany not to demand of East Germans to return private property to its former owners in West Germany. The West German government agonized over this and concluded that the provision on the protection of private property in Article 14 of the West German basic law should prevail. As a result, 2.5 million litigation cases have been filed as of this moment. Only 12 percent of these have been settled, and no one knows how long it will take to settle the remainder. Some within the German Government are having second thoughts about this issue. They believe that the matter should be settled step by step, not simultaneously." [passage omitted]

Kim: In our case, how should this be handled?

Sin: I have some idea, but it is hard to say anything conclusively. I think that there must be a compromise between lightening the burden of the state and meeting the demands of the displaced persons.

The former ambassador added, "it is wrong to put off unification because of possible after-effects."

Sin: These are inevitable pains that we have to tolerate to unify two different systems. Many of the German officials dealing with unification gave me advice. A common theme was, "The whole nation must be determined and ready to suffer pain." This is to say that only when we are ready to share the pain will we be able to set forth on a long journey for unification. [passage omitted]

Kim: Haven't North-South dialogues been blocked by North Korea's obstruction?

Sin: Nevertheless we should not give them up. If it is difficult to hold direct dialogues, we should try to hold indirect talks. That is precisely the work of diplomacy. For one thing, we must ask China and the Soviet Union, the two countries that can exercise influence over North Korea, to tell North Korea about matters of principle. For instance, they should tell North Korea, even in an indirect way, that they think it necessary for North Korea to improve human rights and raise the living standards. These countries—the props of North Korea—have diplomatic relations with us, and can hardly reject such request of ours.

Kim: Many problems have cropped up over our North Korea policy since the inauguration of our new government. Mr. Ambassador, what is your opinion?

Sin: When the Sixth Advisory Council on Peaceful Reunification was inaugurated, the civilian government announced the three basic principles of its unification policy. I thought they were well formulated. The first is the principle of respect for democratic processes. In other words, we seek liberal democracy sought after by the whole world. The second is the principle of coexistence and co-prosperity. This is good. I take "co-prosperity" as an intention to maintain the market economy. History teaches that under communism, coexistence is possible but co-prosperity is not. The second principle means that co-prosperity is possible only under the market economy. The third is the principle of national welfare, which is in accord with the goal of improved human rights and welfare the world is seeking. The three principles are fine, but the devil is in the details.

The ambassador says, "The trouble with us is that we lack concrete ideas." "This is the time," he adds, "for the government and private research organizations to analyze and study the various problems that arose in the course of German unification."

Sin: We must look far ahead and push our plans forward steadily. What is particularly important is the government's coordinating function. We have so many research organizations in our country. We should correct their mistake of pursuing identical subjects. There must be a division of labor, for instance, assigning the study on land problems that may crop up after unification to Institution A and the study of policy matters to Institution B, and so forth.

Kim: Do you think North Korea can reform itself?

Sin: One of the cause of East Germany's collapse was its people's envy for West Germany. I am curious about whether North Koreans look on South Korea with envy. Clearly, change is the demand of our time. It is questionable whether it is possible to imbue each and every North Korean with this demand. But I feel that some change is forthcoming. [passage omitted]

Cambodia

Hun Sen on Khmer Rouge, Budget, Thai Cache

BK2812114193 Phnom Penh National Voice of Cambodia Radio Network in Cambodian 0430 GMT 28 Dec 93

[Interview with Second Prime Minister Hun Sen by foreign and domestic correspondents at the National Assembly Hall in Phnom Penh on 28 December; broadcast in progress—recorded]

[Text] [Hun Sen] Because every person has different abilities it is impossible for the Khmer Rouge to have everything. It depends on the two prime ministers. They will decide what positions they will assume. Nevertheless, I think that the time is not yet ripe to talk about that issue. What is important at this point in time is that the Khmer Rouge must cease firing, regroup, demobilize, hand over their forces to the Khmer Royal Armed Forces [KRAF] to allow the government [RCG] to incorporate them into the KRAF, and surrender the regions under their control to the RCG. We must talk about this problem first.

[Correspondent] Concerning the actual situation on the battlefield, have the Khmer Rouge shown any sincerity in meetings with our RCG?

[Hun Sen] So far, there is apparently no sign that the Khmer Rouge are ready to join the national community, except of course for some officers and soldiers who are fed up with fighting, who do not want to oppose their own nation, and who no longer want to follow the Khmer Rouge leaders. As for the latter, although they talk about unification, there is no sign that they are prepared to take part in the national community.

[Correspondent] What is the percentage of the budget allocated to national defense and security?

[Hun Sen] Looking at the percentage of the budget allocated for national defense and security in 1994, it appears to be higher than that allowed by the former State of Cambodia. The increase is reasonable based on the following facts:

1. The size of our forces increased following unification. It is vitally important to give budget priority to sustaining living conditions of combatants recently incorporated into the KRAF and to raising their salary by 20 percent.

2. It is necessary to organize the material foundation of every armed unit. Improving bases for our forces requires us to spend money on barracks for 28 divisions, which should be regrouped into 12. That being the case, we need to reorganize their bases and set up their positions. It is also necessary to repair the KRAF's war equipment, which we have not taken care of or properly maintained since the implementation of the Paris agreement.

Therefore, for these reasons, I think that the slight increase in the budget for national defense and security in 1994, compared with the previous year, is reasonable.

[Correspondent] What is the percentage of the budget?

[Hun Sen] It is now over 30 percent of the national budget. I think this is already a heavy burden, but we have no choice, given the current situation in our country.

[Correspondent] Is the military budget intended to buy new armaments, or is it only to acquire spare parts?

[Hun Sen] We have not yet talked about replacing Cambodia's weaponry. If we do this, we will suffer a great loss. This is because the troops of the former Cambodian factions incorporated into the KRAF have almost the same armaments, made by countries that share similar weapons technology. So it is currently impossible for us to discard or replace them with new ones. We should continue using available armaments and bring in spare parts to restore and maintain the existing weaponry [words indistinct].

[Correspondent] Does the regrouping of 28 divisions into 12 imply troop reductions?

[Hun Sen] No it does not. We are only reorganizing the army to make it more efficient. We are squeezing separate divisions into a lesser number of divisions to provide higher effectiveness in terms of the number and combat capability of troops and commanders. Therefore, there is no question of troop reduction.

[Correspondent] Concerning the arms caches recently found in Thailand, [words indistinct]?

[Hun Sen] We hope [words indistinct] (?to raise this issue) during the forthcoming visit to Cambodia by Thai Prime Minister Chuan Likphai. We should not comment on things we are uncertain about. We are in the process of investigating.

[Correspondent] Lately, the Thai Government's National Security Council [words indistinct].

[Hun Sen] I do not want to comment on what the Thai National Security Council has discussed. Referring to press reports, however, [words indistinct] I hold that freedom of the press should be constantly guaranteed. No country should muzzle Cambodia's newspapers. Even the RCG does not dare silence the newspapers, so who else has the right to? I really do not understand this. I call on others to refrain from interfering with or intimidating our country's media.

[Correspondent] According to a recent Khmer Rouge broadcast the RCG is going to launch a large-scale dry season offensive at the end of this month to chase the Khmer Rouge out of the territory they control. Is this true?

[Hun Sen] It is quite normal for the Khmer Rouge to say something like that before they attack. They made this claim during the first dry season, the second, and up to the 14th season. It is quite normal; before beating a cat, you must accuse it of eating fish. What we are waiting for at the moment is a negotiated solution for national reconciliation. When the Khmer Rouge has attacked in many areas—this is widely known—they have always accused the RGC of seeking military action. There is nothing strange about the Khmer Rouge. For instance, when they were in power, they killed a number of people they accused of being CIA or KGB agents or Vietnamese lackeys. It is the same now; they accuse the RGC of conducting military activities so they have an excuse to attack RGC forces.

[Correspondent] Khieu Samphan, in a letter to King Sihanouk in Beijing, described a meeting he had with Prince Krompreah Norodom Ranariddh on 17 December. He said that there was agreement on sharing the posts of co-minister and co-state secretary and on the creation of a working committee. What is your opinion of this?

[Hun Sen] Prince Krompreah is here now, so please ask him yourself. The prince told me, however, that after the secret meeting, Khieu Samphan presented his majesty with [words indistinct] a report that is unrelated to what was discussed at the meeting. So it is better for you to address this question to the prince himself.

[Correspondent] Prince Krompreah has said that Your Excellency supports the working group. But when I asked him about the group, he declined to elaborate. Why all the secrecy?

[Hun Sen] With regard to Prince Krompreah's statement, I say that one never lays all his cards on the table. I hope you understand this.

[Correspondent] Can we amend our Constitution [words indistinct]?

[Hun Sen] I have already talked about this. Perhaps you were late; please ask those who heard my comments on this matter. I do not want to repeat myself.

[Correspondent] According to a recent REAKSMEI KAMPUCHEA report, there are Vietnamese in Takeo Province. Has the RGC issued any statements denying this violation?

[Hun Sen] I think the RGC should not make any statements regarding something that is uncertain. Yesterday, I sent urgent letters to the co-interior ministers, First Prime Minister Prince Krompreah, the co-defense ministers, the foreign minister, the provincial governor, and his majesty's cabinet, informing them that I saw an article about this Vietnamese violation in the 27-28 December issue of REAKSMEI KAMPUCHEA. I also recalled the problem relating to events in the first quarter of 1993, before the elections. At that time, I ordered the provincial governor to solve the problem. I asked the

Foreign Ministry to contact the Vietnamese Embassy in Phnom Penh and instruct the Cambodian Embassy in Hanoi to contact the Vietnamese Foreign Ministry with a view to preventing this problem from occurring. I have recalled these events and asked the co-interior ministers to look into this problem urgently; that is, I have drawn their attention to the problems in the first quarter of 1993 concerning Cambodia's territory. Who owns this point or this tree? Border canals, even on Vietnamese soil, should be [words indistinct] because they can affect the environment; for example, by reversing water currents. I am very concerned about this if it is true. For instance, if Vietnam digs a canal 20 or 50 meters away from the border, it will change water currents in Cambodia. Because both countries are members of the Interim Mekong Committee, Vietnam and Cambodia should discuss this problem beforehand to avoid changing the environment along the border.

We have not issued a statement because we are waiting for reports from the provincial governor and the Interior Ministry. It is not that we do not want to make a statement; I have already prepared one. But we cannot rely on newspapers—not to say that I do not believe them; it is the newspaper that made me aware of the issue and made me write the letters—but we need to wait for clarification from the Interior Ministry.

[Correspondent] What was the purpose of your trip to Vietnam and Laos on (?15 December)?

[Hun Sen] Who told you about that? I do not really understand this.

[Correspondent] A special source.

[Hun Sen] So you should wait for the special source to explain it to you. I cannot say anything because I did not go. [laughter]

[Correspondent] [Words indistinct] the newspaper says [words indistinct] the prime minister can go if there is a special commitment.

[Hun Sen] I have no special affairs. If I want to go, however, it is my business. You should not follow me.

[Correspondent] Yesterday we received a copy of Khieu Samphan's letter to the king, saying he accepts the king's peace proposal. In the meantime, I heard the Khmer Rouge radio saying that the government [words indistinct].

[Hun Sen] The Khmer Rouge signed the Paris accord [words indistinct]. But to preserve what is called their political existence, it is impossible for them to oppose his majesty. As such, they always insist that they support the king; but in reality they act differently. Now the question rests on action, not talk. [Words indistinct] national reconciliation of the Khmer Rouge. The important thing is not what they say or write but what they do. Are they ready to cease firing, surrender their troops to the RGC, and return the regions that they control? They must act on these three points. If they do not, I think there is no

need to ask why the Khmer Rouge are acting that way. Everyone is asking the same question; I think that only the Khmer Rouge leaders can answer.

[Correspondent] It appears that the Khmer Rouge does not want to join the government. Do you think they want to assume exclusive power?

[Hun Sen] It is true that as long as the Khmer Rouge do not gain full control, they will not join. Perhaps they will join if they assume at least half the control; from there they can try to retake it completely. This is the strategic goal of the Khmer Rouge struggle; they do not want to remain a political group like other political parties. First, they try to swallow half, then they move toward completely engulfing the rest. So if they are allowed to do so, they will join.

[Correspondent] In the letter, Khieu Samphan uses the word [words indistinct].

[Hun Sen] I want to emphasize that the word faction or party is already antiquated. This word is no longer in use. Prince Krompreah and I do not represent any party; we are prime ministers of the RGC. At this hour, the word is outdated. Before the Paris accord, one talked about political parties. After the accord, one talked about the SNC [Supreme National Council] and then the Provisional National Government of Cambodia. Now, one talks about the RGC. No political parties are referred to within the government. This is outmoded.

[Correspondent] Do you support the aforementioned working committee?

[Hun Sen] As Prince Krompreah has said, one should never put all his cards on the table. We are waiting for a letter from Khieu Samphan to Prince Krompreah on this issue; after that I will give the prince my opinion.

Prime Ministers Urge Khmer Rouge To Defect

BK2912083593 Phnom Penh National Voice of Cambodia Radio Network in Cambodian 0430 GMT 29 Dec 93

["Appeal" from First Prime Minister Prince Krompreah Norodom Ranariddh and Second Prime Minister Hun Sen; dated 24 December—read by announcer]

[Text] I, Prince Krompreah Norodom Ranariddh, first prime minister of the Royal Government of Cambodia [RGC];

I, His Excellency [H.E.] Hun Sen, second prime minister of the RGC;

Wish to inform those officers, non-commissioned officers [NCOs], soldiers, and people living with the Khmer Rouge leaders that following the promulgation of the Constitution of the Kingdom of Cambodia on 24 September 1993, His Majesty King Norodom Sihanouk became head of state and supreme commander of the Khmer Royal Armed Forces, and we formed a legal royal

government. Heeding appeals from the Provisional National Government of Cambodia and the General Staff of the Khmer Royal Armed Forces [KRAF] in August and October, over 3,000 Democratic Kampuchea officers, NCOs, and soldiers returned to the national community—along with many thousands of weapons and several tonnes of ammunition—and volunteered to serve in the KRAF. They have all been given rank in accordance with their capabilities; some have even been made generals.

This being the case, the RGC appeals to the officers and soldiers currently staying with the Khmer Rouge leaders to return to the national community quickly. You are urged not to follow these stubborn Khmer Rouge leaders, who continue to nurture warmongering ambitions, which endanger the national community of the entire Kingdom of Cambodia. RGC and the KRAF units everywhere are always waiting to welcome all of you and your compatriots.

[Dated] Phnom Penh, 24 December 1993

[Signed] First Prime Minister Prince Krompreah Norodom Ranariddh; Second Prime Minister H.E. Hun Sen

'Marked Increase' in Khmer Rouge Operations

BK2912023393 Phnom Penh National Voice of Cambodia Radio Network in Cambodian 1200 GMT 28 Dec 93

[Text] According to a source in the Third Department of the Khmer Royal Armed Forces [KRAF] General Staff, last week from 20 to 26 December there was a marked increase in Khmer Rouge military activities compared with the previous week. Of note were activities reported in the 4th Military Region: Preah Vihear, Kompong Thom, and Siem Reap-Oddar Meanchey Provinces, and in the 5th Military Region covering the provinces of Battambang and Banteay Meanchey.

Preah Vihear Province: On 22 December 80 to 100 Khmer Rouge soldiers coming from five directions assaulted the district seat of Choam Khsan through Phum Veal Sar, Phum Toek Kraham, Phum Rumdaoh Sre, Phum Kouk Sralau, and Phum Kouk Kalong. Before being forced to retreat by the KRAF, the attackers strafed the people's homes with assorted weapons, wounding a villager, burning down 34 houses, destroying 16 metric tons of rice, killing two oxen, and damaging some materiel.

On 23 December the Khmer Rouge attacked the position of the 47th Battalion of the 19th Regiment northwest of Choam Khsan. Before being beaten back by the KRAF, the Khmer Rouge burned down 15 houses, destroyed three metric tons of rice, and damaged some materiel.

Banteay Meanchey Province: On 23 and 25 December the Khmer Rouge fired a barrage of 13 (?H-107) shells on the [word indistinct] area, killing a KRAF soldier, wounding three others, and also killing three villagers.

Battambang Province: On 23 December the Khmer Rouge from the 320th Division assaulted the 15th Battalion of the 24th Regiment of the 6th Division at Prey Khpos, Bavel District. They were later on beaten back by our KRAF. Also in the Bavel area, one of our KRAF positions came under heavy 85-mm, DK-82, and H-107 artillery shelling by the Khmer Rouge, who fired a total of 39 rounds.

During last week's clashes with the Khmer Rouge, our KRAF killed 28 enemy soldiers, captured six others, took 45 weapons, welcomed 28 defectors to the national fold, burned down 14 enemy shelters, and seized five mines and some materiel.

Troops Said Near Khmer Rouge Headquarters

BK2912105493 Hong Kong AFP in English 1029 GMT 29 Dec 93

[Text] Phnom Penh, Dec 29 (AFP)—Government forces have recaptured major Khmer Rouge bases in central Cambodia and are now advancing on the radical faction's headquarters for all operations in north and central Cambodia, an internal military report said Wednesday.

Government troops on Tuesday overran the Khmer Rouge bases at Kraya and Sakream, which were taken in a government offensive in August but were then lost when the guerrillas mounted a large-scale counter-attack, the report said.

Minister of Defence Tea Banh acknowledged that the government troops had taken Kraya and Sokream, as well as two other villages which had also been lost to the Khmer Rouge. He refused, however, to comment on the military report's assertion that government troops were closing in on Anlong Veng near the Thai border in Siem Reap province.

Anlong Veng is the radical faction's headquarters and logistics base for all operations in north and central Cambodia.

The base is commanded by a notorious one-legged Khmer Rouge general, Ta Mok, who had fled the area, the military report said.

When asked about a forthcoming assault on Anlong Veng, co-premier Hun Sen would also neither confirm nor deny it.

But he said: "It's quite simple, Anlong Veng is government territory".

Hun Sen, French Official Discuss Cooperation

BK2912054993 Phnom Penh AKP in French 0407 GMT 29 Dec 93

[Text] Phnom Penh 29 Dec (AKP)—Mr. Hun Sen, second prime minister of the Royal Government of Cambodia [RGC], received in Phnom Penh on 27

December Mr. Gerard Porcell, official in charge of French-Cambodian cooperation at the French Embassy in Cambodia.

Mr. Gerard expressed his desire to further improve cooperation between the two countries, saying France should act on this matter using the ministries of National Defense, Foreign Affairs and International Cooperation, and Finance as intermediaries.

For his part, Mr. Hun Sen reaffirmed to France that Cambodia would do its utmost to ensure that the cooperation would be established between the two countries independent from the political parties. "Cambodia will set up a general secretariat of the RGC, which is a neutral institution and which does not depend on the political situation in the country," Mr. Hun Sen said.

The talks also focused on the technical aspect of the cooperation and the construction of a royal administration school.

Sihanouk Appoints Constitutional Council Members

BK2912061593 Phnom Penh National Voice of Cambodia Radio Network in Cambodian 0430 GMT 29 Dec 93

[Decree issued by King Norodom Sihanouk; dated 26 December]

[Text] I, Norodom Sihanouk Varaman, king of Cambodia, in view of the Constitution of the Kingdom of Cambodia, order that the three following persons, who are my representatives, be appointed as members of the Constitutional Council:

1. His Excellency [H.E.] Samdech Chakkrei Nhoek Chulong;
2. H.E. Chau Senkosal alias Chhum; and
3. H.E. Pung Pengcheng.

[Dated] 26 December 1993

[Signed] Norodom Sihanouk

National Assembly Adopts 1994 Budget

BK2912112693 Phnom Penh AKP in English 1002 GMT 29 Dec 93

[Text] Phnom Penh AKP December 29—The National Assembly of the Kingdom of Cambodia adopted yesterday an 890 billion-riel budget (356 million dollars) in which the defense and security spending shared 28 percent, but the economic sector got the biggest share.

The budget for 1994 accounts for 15 percent of gross domestic product (GDP), Finance Minister Sam Rangsi said, adding that 48 percent of revenue would come from international assistance.

Slightly more than half of the state's tax revenue comes from customs duties, but there is little revenue in tax on corporate profits or capital-gains profits, he said.

He said he hoped that "with peace" Cambodia could pare its defence expenditure down to around 13 percent.

A constitutional monarchy, under King Norodom Sihanouk, was set up in Cambodia in September, after UN-supervised elections in May, but roughly a fifth of the country remains under the control of the ultra-nationalist Khmer Rouge, which is in armed conflict with the new government.

Government Guarantees Investment '100 Percent'

BK2912032893 Phnom Penh CAMBODIA TIMES in English 20-26 Dec 93 pp 1, 2

[Text] Phnom Penh—First Prime Minister Prince Norodom Ranariddh, has given the Royal Government's 100 percent guarantee for all foreign investment ventures in this nation.

This was revealed by the Director of his Cabinet, Li Thuch, to THE CAMBODIA TIMES, who added that Prince Ranariddh supported all forms of foreign investment and has directed the various authorities to facilitate the inflow of foreign investment here.

"This is part of a concerted effort to bring in much needed foreign investment and the first prime minister will be devoting much of his time, efforts and energy towards the rehabilitation, rebuilding and reconstruction of this nation." "Towards this end, Prince Ranariddh has given instructions to the Finance Ministry to review the tax structure, with a view of awarding tax exemption to certain industries while selected others might be given pioneer status for a limited period of time."

Li Thuch added that all of these are designed to spur the economic growth of this nation and that Prince Ranariddh hopes to bring prosperity, progress and peace to this nation and its masses.

"However, this does not mean that he will not be devoting his time to other pressing national issues such as the Khmer Rouge problem and the numerous other social problems currently being faced by this new and young democracy," he pointed out.

Prince Ranariddh has also set his mind in rehabilitating and revamping the nation's irrigation and agricultural systems and network.

"Agriculture would take equal emphasis to other development projects, as it is the lifelines of this nation. Towards this end, the first prime minister is looking into ways at improving the irrigation system, including the rehabilitation and reconstruction of dams and waterways, to facilitate improved and sustained farming methods. He wants to see and inspect the situation in the area."

"He would also be paying attention to the irrigation and drainage system in the city here in order to alleviate the flooding and sanitation problems currently faced here," he said.

"His Royal Highness wants the nation to be self-sufficient in agricultural produce and among the many ways to attain this is through the rehabilitation of the irrigation system as well as clearing the land of mines and other hazards that is hampering the full cultivation of the arable land here. He wants this nation to be self-sufficient in food by 1994."

"This nation was self-sufficient in its food products during the sixties and was even first exporters of rice in the region. However, war and strife has reversed this and the nation is now dependent on foreign food aid. This is unacceptable," Li Thuch pointed out.

As for the encouragement of the tourism industry here, the Director of the Cabinet pointed out that Prince Ranariddh was placing special emphasis on this sector, as it was one of the major earners of much needed foreign exchange.

"The first prime minister wants to develop the tourism industry here and in this respect, has indicated his willingness to award casino licences to deserving parties. However, the casinos must be situated in a comprehensive integrated tourist complex and not just operate as a casino."

"We have strict laws which prohibits the local people from patronising the casinos, and funds for this have to be clean (no money laundering)," he pointed out. Li Thuch added that Prince Ranariddh has also taken a personal interest in the development and extension of the Pochentong airport here, to improve its facilities and capabilities.

Pochentong airport, he added, is the main gateway into the country and the first prime minister has spent considerable time, including surprise visits to look into the realities and the magnitude of the problems faced.

"Prince Ranariddh has very little time for himself as much of his time is being devoted towards the development and rehabilitation of this nation," Cabinet Director Li Thuch said.

Indonesia

Minister Discusses 1993 Investment Decline

BK2812123093 Jakarta ANTARA in English 1150 GMT 28 Dec 93

[Text] Jakarta, Dec. 2 (ANEX-ANTARA)—President Suharto has asked the Investment Coordinating Board (BKPM) and its regional branches (BKPM's) throughout the country to increase services for investors in the face of stiff competition.

"The president has asked BKPM to intensify and improve its services even though the investment climate in 1994 is expected to be better than this year," Investment Minister/Chairman of BKPM Sanyoto Sastrowardoyo told reporters here Tuesday.

President Suharto made the appeal when receiving a report from the minister on the decline of foreign investments in the country.

In 1992, BKPM approved 305 foreign investment projects worth 10.3 billion U.S. dollars. Up to Dec. 27 this year, the government has approved a bigger number of foreign investment schemes, namely 313 but their values dropped to eight billion U.S. dollars, Sastrowardoyo said.

On Tuesday, President Suharto agreed another nine foreign investment projects worth 20 million U.S. dollars, he said.

Sastrowardoyo said that the declining foreign investment in Indonesia and other developing nations is due to economic recession in Japan, the United States, and Western European countries.

The recession creates scarcity of capital and leads developing states and advanced countries to compete in winning capital, he said.

He said that China, Vietnam, Bangladesh, and Pakistan are offering a favourable investment climate, which is a factor affecting the declining investment in Indonesia.

In 1993, Singapore is the biggest investor in Indonesia with projects worth 1.333 billion U.S. dollars followed by Japan (815 million U.S. dollars) and South Korea (660 million U.S. dollar).

Last year, the first place was occupied by Japan (1.5 billion U.S. dollars) followed by Hong Kong (1.022 billion U.S. dollars).

The minister expressed optimism that next year, the number and values of foreign investments in the country is expected to increase. "Indonesia has political stability," he added.

Referring to domestic investment projects, the minister said domestic investments are encouraging this year.

He said that BKPM has this year approved 548 projects worth Rp. [rupiah] 39.5 trillion or about 20 billion U.S. dollars.

This is an increase if compared with that of the previous year which stood at 439 projects worth Rp. 29.3 trillion or about 15 billion U.S. dollars, he added.

Fishermen Report on Illegal Operations in Aceh

BK2812134693 Jakarta ANTARA in English 1302 GMT 28 Dec 93

[Text] Jakarta, Dec 28 (OANA-ANTARA)—Local fishermen reported that the number of illegal fishing by foreign vessels in the west coast of Aceh, North Sumatera, has been increasing in the past weeks.

"The local fishermen believe that Thai-registered boats have been operating in the area since early December," West Aceh regent Teuku Rosman said here Monday.

The poachings were mainly launched at midnight and often trawlers were used, he said quoting the fishermen group, Teunomon and Alue Bili.

Last week, the local marine police arrested a foreign trawler. In July, a 25-crew Thai-registered ship was nabbed for illegally operating in the area for about a month.

Rosman believed that bigger ships acted as buyer for the catches.

"They have permission to fish in the Exclusive Economic Zone (some 200 miles from the coast) and hide on small islands around the waters during the day to avoid police patrol," He added.

In September, four Indonesian warships (KRI) [Republic of Indonesia Ship] were mobilized to the west coast of Aceh following the reported shooting of local fishermen. But the police did not retrieve any weapons.

PDI Announces Leadership for 1993-98 Term

BK2412055293 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 24 Dec 93

[Text] Megawati Sukarnoputri, the general chairman of the Indonesian Democratic Party, PDI and concurrently the chairwoman of the party's central committee, last night announced the PDI leadership line-up for the 1993-98 period.

The central executive council line-up for the upcoming 1993-98 period consists of 29 members. Megawati Sukarnoputri is the general chairman while 13 others were also elected, among them Secretary General Alex Lithay, Deputy Secretary General Andi Haromuis Mangabaran, party treasurer Admiral Sukardi and the deputy treasurer, (Ligini) Sutarmo.

The election of the PDI's central executive council members was included in the party's Letter of Decision No. 14 of 1993 during the previous national congress session.

According to Megawati, the party leadership line-up was the ultimate decision given by PDI members. It was hoped that the selection would be accepted by all party members.

Philippines

Government: IMF Cannot Dictate Program

BK2912020293 Manila BUSINESS WORLD in English
27 Dec 93 pp 1, 8

[By Mary Rose L. Maipid]

[Excerpts] The Bangko Sentral [Central Bank] will be armed with a strong program when it goes to the negotiating table with the International Monetary Fund (IMF) on 10 January.

In a press briefing, Gabriel C. Singson, Bangko Sentral governor and IMF negotiating panel member, said the program to be requested by the Philippines will reflect the goals and needs of the country and will not consist of dictates of the IMF.

"It will be our program because it will be designed by the Bangko Sentral, the Department of Finance, the National Economic and Development Authority (NEDA) and the rest of the government," Mr. Singson said.

He also expressed confidence the members of the negotiating panel, namely: Finance Secretary Ernest Leung, NEDA Director General Cielito Habito, Budget Secretary Salvador Enriquez, Jr., and himself, will be able to hold their own against the Fund's own team which will be led by IMF assistant director Kadhim Al-Eyd.

"We will not allow the IMF to dictate to us and I don't think they even want to dictate to us anyway," Mr. Singson said.

The Bangko Sentral chief declined to say what the monetary and fiscal highlights of the program will be but said he already formed in his mind what the priorities and framework should be.

Mr. Singson also sought to assuage fears aired by bankers that the onset of a new IMF program will mean pressure on the Bangko Sentral to enforce tight monetary policies.

"Like any other (IMF) program in the past, there will be ceilings but we will balance the requirements of the economy with our concern with inflation," Mr. Singson said. [passage omitted]

The Bangko Sentral chief was noncommittal on what the final modality of the program will be but hinted "it may be considered as an exit program in two tranches."

Going by the special drawing rights quota for RP [Republic of the Philippines], the negotiating panel can go for as much as \$723.74 million.

Mr. Leung already indicated the panel may pursue an 18-month standby arrangement (SBA) or an extended fund facility (EFF) instead of the exit program hoped for earlier. [passage omitted]

The technical team laying the groundwork for the negotiating panel is scheduled to meet throughout the week after which the strategy will be presented to the Cabinet.

The final program and strategy will then be discussed by the negotiating panel and President Ramos next week.

Investment Shortage Said Due to Energy Crisis

BK2912060793 Manila BUSINESS WORLD in English
27 Dec 93 pp 1, 8

[By Genevieve I. Soledad]

[Text] The Board of Investments (BoI) will only manage to approve P93 billion [Philippine pesos] worth of investments by year end, P7 billion short of the agency's already scaled-down investment target of P100 billion for the whole of 1993.

"The revised target was P100 billion but we will end up with only P93 billion. It's obvious that it's really the power (crisis)," Trade and Industry Undersecretary Tomas I. Alcantara explained in a meeting with reporters over the weekend. The BoI official, however, did not give a breakdown of the P93 billion investment level.

The BoI had officially scaled down its investment target for the year from P145 billion to P100 billion following reports that total investments for the first nine months of the year only added up to P64.31 billion, P80.69 billion short of the P145-billion target.

As of October, total investments registered with the BoI had plunged from P94.91 billion last year to P68.17 billion this year.

Even the two multibillion-peso projects approved by the BoI last week will not jack up the agency's investment figures anywhere near the P100-billion mark.

The BoI had approved the \$280-million (about P7.75 billion based on an average exchange rate of P27.681 to the dollar) geothermal plant of the Visayas Geothermal Power Co. in Tongonan, Leyte and the P5.5 billion cement factory of Southern Cross Cement Co., Inc. in Cebu.

This is not the first time that the BoI reduced its investment forecast. Last year, the BoI was already targeting to hit P125 billion in total investments, a figure which had to be brought down to P100 billion, also because of the brownouts.

Yet, the power crisis is not the only culprit for the slowdown in investment inflows. Trade and Industry Secretary Rizalino S. Navarro claims that the worldwide recession also dampened investor interest not only in the Philippines but in other countries as well.

BoI officials added that the agency might also have to realign targets for the next few years to adjust to this year's scaled-down level.

The Bol was originally targeting P165 billion worth of investments next year; P190 billion in 1995; P220 billion in 1996; P250 billion in 1997; and P290 billion in 1998.

The Bol is also mulling the inclusion of investment figures in all other investment zones when the agency comes out with its performance report for this year.

In the past, the Bol released investment figures which were based solely on the number of firms applying for incentives with the agency under Executive Order 226 or the Omnibus Investments Code. This year, however, the Bol might have to include investment figures in other areas like Subic, Clark Field, and the export processing zones.

MNLF Chief Sees Tripoli Accord Working

BK2912013693 Manila MANILA STANDARD in English 25 Dec 93 p 2

[Report on interview with MNLF Chairman Nur Misuari by Romie Evangelista—date not given]

[Text] Timbangan, Sulu—Moro National Liberation Front (MNLF) Chairman Nur Misuari is confident that the 1976 Tripoli Agreement would be implemented "to the letter and spirit" in the ongoing peace talks between the government and his group.

Misuari, in an exclusive interview with the STANDARD, said only the "modalities" of the provisions of the Tripoli Agreement is being negotiated between representatives of the MNLF and the government.

"The government and the MNLF have already agreed on the implementation of the 1976 Tripoli Agreement. What we're discussing right now are the modalities of the contents of its provisions," Misuari said.

The 1976 Tripoli Agreement, among other provisions, calls for the creation of a regional security force, the inclusion of 14 provinces and all its cities in the autonomous region, and the management of all the resources therein by new set of Muslim leaders mandated by the people.

According to the MNLF chieftain, he sees no hitches nor hindrances that would derail the success of the peace talks.

"It would be foolhardy for anybody to put any obstacles in the on-going peace talks," he said.

According to Misuari, the implementation of the 1976 agreement "to the letter and spirit" had been reached through a memorandum of agreement between the government and the MNLF during a series of initial talks in Cipanas, Indonesia on 6 April 1993 and the "Jakarta Peace Talks" in November.

The memorandum of agreements, he said, were signed by chief peace negotiator Ambassador Manuel Yan and himself, and witnessed by Indonesian Foreign Minister

Ali Abdullah Alatas and H.E. Mohammad Mohir, representative of the Secretary General of the Organization of Islamic Conference (OIC), and the Ministerial Committee of Six from the OIC.

"I am confident...optimistic that the talks would succeed, all the people of Mindanao are demanding for that...even those in Manila," Misuari stressed.

According to him, the salient features of the Jakarta memorandum, aside from the cessation of hostilities, is the creation of support committees composed of government and MNLF members tasked to discuss details of the provisions of the Tripoli Agreement agreeable to both parties.

Misuari praised President Ramos for the latter's determination to pursue peace in the decades-old Muslim secessionist problem.

"I believe in President Ramos' desire and pronouncements that he will leave no stone unturned to achieve peace in Mindanao," Misuari said.

The MNLF chieftain was interviewed by the STANDARD in Timbangan eight kilometers from Jolo, through the endorsement of Hadji Alhabsi Mutalib, one of Misuari's top lieutenants.

Government, MNLF View Bombings in South

BK2912052093 Quezon City Radio Filipinas in English 0230 GMT 29 Dec 93

[Text] President Fidel Valdez Ramos called for a meeting between Muslim and Christian leaders to stem escalating religious violence in Mindanao. Also invited were government officials and security forces.

Earlier, an unidentified man bombed two mosques, apparently in retaliation for the bombing of the San Pedro Cathedral in Davao City, southern Philippines. In the Davao blast, six persons were killed while some 130 others were wounded. The other explosion was in Bonifacio, Misamis Occidental on Christmas Eve, killing five persons and injuring about 40 others.

AFP [Armed Forces of the Philippines] Chief of Staff Lisandro Abadia says the spate of bombings in Mindanao could be the handiwork of some extremists group out to derail the peace process.

Nur Misuari, chairman of the Moro National Liberation Front, MNLF, strongly deplored the bombing incident in Davao City last Sunday. Misuari issued this strongly worded statement during yesterday's meeting of the joint ad hoc technical working committee of both the government panel and the MNLF in Timbangan, Indanan, Jolo. In condemning the attacks, Misuari said the bombings of different places are deplorable and cowardly acts. He said, it is also a blasphemy which the MNLF will never allow or condone.

Meanwhile, DILG [Department of Interior and Local Government] Secretary Rafael Alunan III called on all Muslims and Christians in Mindanao to join forces in isolating the bombing perpetrators. Alunan says that public must be vigilant and the police on full alert to prevent further bombings.

Two senators have warned of ethnic strifes in Mindanao if the government fails to handle intelligently the situation in that area. Senator Rodolfo Biazon expressed fears that Christian and Muslim groups may start blaming each other for the rash of violence. Senator Blas Ople, on the other hand, says Christian groups affected by the bombings may turn the law into their own hands.

The government and the Moro National Liberation Front have agreed to have Zamboanga City, the new venue for another meeting on the first week of January 1994. The decision was agreed upon on Monday's meeting between representatives of the Philippine government and the Moro National Liberation Front or MNLF. Government panel head Guillermo Ruiz made the proposal for next venue to his MNLF counterpart General Abdul Garin. Ruiz said Zamboanga has complete facilities for communication and transportation. The 5 January resumption of talks for the cease fire agreement will be held in one of the city's hotel.

Ramos Cites Communist Political Failure

BK2912022093 Manila MANILA BULLETIN in English 27 Dec 93 pp 1, 21

[By E.T. Suarez]

[Text] President Ramos said yesterday that the Communist Party of the Philippines (CPP) and the New People's Army (NPA) have failed to instill their political ideology in the hearts and minds of the Filipino people.

Assessing the CPP-NPA on the occasion of its 25th anniversary, the president said that based on the report of Defense Secretary Renato de Villa, the strength of communist insurgency was reduced by 30 percent from some 11,920 in December 1992 to 8,350 in December 1993.

The president added that communist-affected barangays [villages] declined by 52 percent from 2,039 in 1992 to 984 in 1993 and their firearms inventory was reduced from 8,730 in 1992 to 7,600 in 1993.

"I think the only conclusion we can make is that they have failed as an ideology, as a way of life, and as a political and economic way of life," the president stressed.

He noted that internal conflicts in its hierarchy have become prevalent than ever, saying the latest sign of disunity among the CPP-NPA hierarchy is the split decision whether or not to participate in the government's peace process.

The CPP-NPA mother organizations in Europe have collapsed and they are now fighting among themselves, including on the ideological levels, he said.

"They have existed for 25 years and look at where they are now? They have predicted 25 years ago that they are the wave of the future...but look at them," the president said in a press conference held at the Mansion House in Baguio City.

Thailand

Oil Purchase From Iran, PLO Office Announced

BK2912041693 Bangkok Radio Thailand Network in English 0000 GMT 29 Dec 93

[Text] Thailand will import at least 5,000 barrels of crude oil daily from Iran between 1994 and 1997. The proposal, made by the Commerce Ministry, was approved by the cabinet during its meeting yesterday. It was worked out by the Ministry of Commerce, the Ministry of Foreign Affairs, and the Petroleum Authority of Thailand. The cabinet was told that Thailand needs to import the volume of crude oil from Iran to facilitate rice and crude oil trade between the two countries and to comply with the commitment made earlier by Thailand and Iran. The Petroleum Authority of Thailand will serve as coordinator in all purchase from various Iranian refineries with support from the Ministry of Commerce.

Meanwhile, the cabinet approved a proposal by the Ministry of Foreign Affairs to allow the Palestinian Liberation Organization to open its representative office in Thailand.

Vietnam

Foreign Ministry: No Spratlys Deal With PRC

BK2912135993 Hanoi VNA in English 1351 GMT 29 Dec 93

[Text] Hanoi VNA Dec. 29—Answering questions of foreign correspondents about a news report which appeared on the daily WALL STREET JOURNAL on Dec. 23 and which claimed that Vietnam and China had verbally agreed to temporarily suspend the issue of sovereignty over the Spratly (Truong Sa) Islands for 50 years and that the two countries would together exploit this area and share profits equally, the Press and Information Department of the Vietnam's Foreign Ministry on Dec. 27 made the following statement:

"At their high-level meetings, leaders of the two countries only discussed major questions of principle. In the spirit of settling outstanding issues through peaceful negotiations, the two sides stressed on the necessity to actively implement the agreement on the fundamental principles for the settlement of questions related to the border issue between the two countries signed on Oct. 19, 1993, push up the process of negotiation in order to

sign at an early date a fundamental treaty on border and territorial issues on land and on the sea, build the Sino-Vietnamese border into a peaceful, stable and friendly one, thus contributing to the consolidation of the friendship and mutually beneficial cooperation between the two countries. In the process of negotiations, the two sides should observe utmost restraint in order not to give rise to complicated problems which would affect their bilateral relations and peace and stability in the region." [end quotation marks as received]

In this spirit, two sides are actively preparing for groups of specialists to discuss the settlement of concrete issues related to the border on land and on the sea, and the north Vietnam gulf, early in 1994.

All information which varies with this spirit is untrue.

Workers Reportedly Strike ROK Joint Venture

BK2912080993 Hong Kong AFP in English 0710 GMT 29 Dec 93

[Text] Hanoi, Dec 29 (AFP)—About 400 employees at a South Korean joint venture in Vietnam have staged a 24-hour strike for better conditions, the trade union newspaper *Nguoi Lao Dong* said Wednesday.

Workers at the Choong Nam textile plant in Thu Duc, near southern Ho Chi Minh City, went on strike Saturday to demand one month bonus a year, a higher meal allowance, two pairs of safety overalls, and a transport subsidy, the weekly said.

The strike occurred when workers at the venture between South Korea's Choong Nam and the Viet Thang Textile Corp. grew fed up when "none of their demands were satisfied," it said.

During a meeting after the strike, the South Korean management bowed to the workers' demand, it said.

Labour unrest has increased in recent months in foreign-backed joint ventures especially in the south, due largely to the absence of labour laws.

The current sitting of the National Assembly is discussing enshrining workers' rights in law, taking into account the needs of workers and foreign investors.

At the start of the month, 100 workers at a Vietnamese-owned factory in the southern Song Be province went on strike to protest against management behaviour and work conditions.

Radio Reviews U.S. Ties, MIA Work in 1993

BK2912061193 Hanoi Voice of Vietnam in English 1000 GMT 28 Dec 93

[Station commentary]

[Text] 1993 saw positive progress in the Vietnam-U.S. relations. These said developments have helped the two

countries move closer to each other. Here is a review of the Vietnam-U.S. relations in 1993 by our radio editor:

Since officially entering the White House, U.S. President Bill Clinton has step by step carried out the strategy of easing its sanction against Vietnam. On 2 July, the U.S. decided not to oppose the world's countries giving loans to Vietnam. This decision has created for Vietnam a source of capital of about \$600 million to build its infrastructure. Then on 13 September, U.S. companies were allowed to participate in tendering international projects in Vietnam. On 21 December, U.S. companies were allowed to supply goods and services to projects in Vietnam which have been approved by international financial institutions. They were also allowed to, together with international financial institutions, invest in projects in Vietnam.

In settling the MIA issue in 1993, Vietnam and the United States also obtained positive results. Vietnam has turned over to the U.S. 580 sets of remains. Joint expert teams of the two countries have conducted three phases of search in northern, central, and southern Vietnam. U.S. Marine Major, Mr. (John Wyman) who is in charge of MIA office in Hanoi, said that, although searches were made under favorable conditions, thanks to positive and effective cooperation of Vietnam, particularly in mid-December, the first time Vietnam and Laos coordinated with the U.S. in seeking for MIA personnel along the Vietnam-Lao border [sentence as heard].

In 1993, the U.S. sent many delegations to Vietnam. In February, the assistant to the U.S. Secretary of State paid a visit to Hanoi. He was followed by Rockefeller, sponsor of former President Nixon and former State Secretary Henry Kissinger, chief of the well-known Rockefeller Corporation.

Returning from Vietnam, Mr. Rockefeller said that it is a mistake to maintain the sanction against Vietnam. A special event in the relations between Vietnam and the United States was the meeting between Vietnamese Vice Premier Phan Van Khai and U.S. Secretary of State Warren Christopher. It was the first summit between the two countries since the end of the Vietnam war. The U.S. secretary of state affirmed that the two countries were no longer at war and this event opened up a new period in the relations between them.

At the International Donors Conference held in Paris last November, the U.S. also supported its decision to give Vietnam a financial assistance of \$1.8 billion. This move has shown that over the last 12 months, the U.S. has made important and substantial steps toward Vietnam. Particularly prior to Christmas, the U.S. allowed its companies to approach deeper into Vietnamese market. It showed that the government of President Bill Clinton has started to accept positive changes in Vietnam. However, it must be admitted that this move has failed to meet the aspirations of people in the two countries, especially American businessmen.

According to Radio France International, an American businessman stated on 24 December that President Clinton's decision to ease the sanctions was not a Christmas present that American businessmen expected. The reason is that they feel cannot step in the market of oil, gas, and computer in Vietnam [sentence as heard]. They can only exercise it when the sanction against Vietnam is completely removed.

Of course, all small streams sooner or later will become large rivers. However, U.S. companies do not want to be disadvantaged than companies from other countries in the Vietnamese market due to their government's embargo.

The people of the two countries and the U.S. business circle hope that, entering 1994, the government of President Clinton will have more important steps toward Vietnam, for, as stated by [name indistinct], director of the U.S. consultative company in Hong Kong, they hope

in the new year, the U.S. President will be courageous enough to make decisive steps in removing the 20-year-long sanction against Vietnam.

Accord Reached With Laos on Border Gate Upgrade

*BK2912075993 Hanoi VNA in English 0717 GMT
29 Dec 93*

[Excerpts] Hanoi VNA Dec. 29—[passage omitted] The Lao Bao-Houai Kaki border gate has been officially upgraded into an international one by virtue of an agreement between the governments of Vietnam and Laos.

The upgrading of the gate will promote economic, cultural and tourism exchanges between Vietnam and Laos. [passage omitted]

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